federal register

WEDNESDAY, AUGUST 9, 1972

WASHINGTON, D.C.

Volume 37 ■ Number 154

Pages 15973–16066

PART I

(Part II begins on page 16063)

HIGHLIGHTS OF THIS ISSUE

This listing does not affect the legal status of any document published in this issue. Detailed table of contents appears inside.

(Continued Inside)

FEDERAL REGISTER

Area Code 202 Phone 962-8626

Published daily, Tuesday through Saturday (no publication on Sundays, Mondays, or on the day after an official Federal holiday), by the Office of the Federal Register, National Archives and Records Service, General Services Administration, Washington, D.C. 20408, pursuant to the authority contained in the Federal Register Act, approved July 26, 1935 (49 Stat. 500, as amended; 44 U.S.C., Ch. 15), under regulations prescribed by the Administrative Committee of the Federal Register, approved by the President (1 CFR Ch. I). Distribution is made only by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The FEDERAL REGISTER will be furnished by mail to subscribers, free of postage, for $2.50 per month or $25 per year, payable in advance. The charge for individual copies is 20 cents for each issue, or 20 cents for each group of pages as actually bound. Remit check or money order, made payable to the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The regulatory material appearing herein is keyed to the CODE OF FEDERAL REGULATIONS, which is published, under 50 titles, pursuant to section 11 of the Federal Register Act, as amended (44 U.S.C. 1510). The CODE OF FEDERAL REGULATIONS is sold by the Superintendent of Documents. Prices of new books are listed in the first FEDERAL REGISTER issue of each month.

Contents

(Continued on next page)

List of CFR Parts Affected

The following numerical guide is a list of the parts of each title of the Code of Federal Regulations affected by documents published in today's issue. A cumulative list of parts affected, covering the current month to date, appears following the Notices section of each issue beginning with the second issue of the month. In the last issue of the month the cumulative list will appear at the end of the issue.

A cumulative guide is published separately at the end of each month. The guide lists the parts and sections affected by documents published since January 1, 1972, and specifies how they are affected.

3 CFR

EXECUTIVE ORDERS:
November 14, 1876 (revoked by PLO 5243) 15994
June 28, 1879 (revoked by PLO 5243) 15994

6 CFR

300 15996

7 CFR

910 15979
993 15979

PROPOSED RULES:
1030 15997
1036 15999

13 CFR

121 15981

14 CFR

43 15983
71 (2 documents) 15984, 15985
73 15984
91 15983
121 15983
127 15984

PROPOSED RULES:
71 16001

15 CFR

390 15991

16 CFR

PROPOSED RULES:
302 16003

17 CFR

230 15985
231 15985
239 (2 documents) 15989–15991

PROPOSED RULES:
230 (2 documents) 16005
231 (2 documents) 16010
239 (2 documents) 16005
240 (2 documents) 16005
241 16011
249 (3 documents) 16005

21 CFR

27 15991
121 (2 documents) 15992
273 15993

31 CFR

316 16064

33 CFR

110 15993

41 CFR

15–3 15993

42 CFR

73 15994

43 CFR

PUBLIC LAND ORDERS:
5243 15994

46 CFR

146 15994

PROPOSED RULES:
2 15999
10 16000
66 16000
146 15999
166 16000

47 CFR

PROPOSED RULES:
25 16003

49 CFR

1048 15995

PROPOSED RULES:
393 16001
571 16002
1048 16004
1241 16005

Rules and Regulations

Title 7—AGRICULTURE

Chapter IX—Agricultural Marketing Service (Marketing Agreements and Orders; Fruits, Vegetables, Nuts), Department of Agriculture

PART 910—LEMONS GROWN IN CALIFORNIA AND ARIZONA

Off-Bloom Allotment

Notice was published in the FEDERAL REGISTER on July 18, 1972 (37 F.R. 14235), that the Department was giving consideration to proposed amendment of § 910.161a of the rules and regulations (Subpart—Rules and Regulations; 7 CFR 910.100–910.180) currently effective pursuant to the applicable provisions of the marketing agreement, as amended, and Order No. 910, as amended (7 CFR Part 910), which regulate the handling of fresh lemons grown in Arizona and designated part of California, hereinafter referred to collectively as the "order". This is a regulatory program effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674). The amendment of said rules and regulations was recommended by the Lemon Administrative Committee, established under said order as the agency to administer the terms and provisions thereof. Said notice allowed interested persons 10 days in which to submit written data, views, or arguments for consideration in connection with the proposed amendment. None were received.

Currently, the rules and regulations authorize the committee to allocate off-bloom allotment each week in the proportion that each handler's certified off-bloom lemons bear to the total quantity of all off-bloom lemons certified for all handlers, but not in excess of the quantity requested by each handler. The amendment would (1) provide that the committee shall allocate off-bloom allotment on the basis of the volume of certified off-bloom lemons picked and delivered, and (2) limit the proportion of such allotment, granted to a handler, to a percentage not exceeding 15 percentage points above the percentage of such handler's total volume of lemons which the committee estimates will be marketed in domestic channels.

The amendment reflects the committee's evaluation of program operations since the off-bloom allotment provisions were added to the order (August 1971) and its belief that this amendment would help to assure equity among handlers in the allocation of allotment and the shipment of lemons to fresh market outlets.

After consideration of all relevant matter presented, including that in the notice, it is hereby found that amendment of said rules and regulations as hereinafter set forth is in accordance with the amended order and will tend to effectuate the declared policy of the act. Therefore, said rules and regulations are amended as follows:

Paragraph (c) of § 910.161a is revised to read as follows:

§ 910.161a Off-bloom allotment.

* * * * *

(c) *Issuance of weekly allotment.* The committee shall allocate allotment each week in such proportion as the quantity of off-bloom lemons a handler has certified bears to the total quantity of all off-bloom lemons certified for all handlers, but not in excess of the amount a handler requests, and any allotment then remaining shall be granted in successive increments, as necessary, to handlers filing requests, in the same proportion as aforesaid but not in excess of the amount requested: *Provided*, That such allotment shall be granted only for certified lemons which have been picked and delivered and the total allotment granted shall not be for more than 15 percentage points above the percentage which the Committee estimates will be marketed in domestic channels in its current marketing policy established pursuant to § 910.50.

* * * * *

It is hereby found that good cause exists for not postponing the effective date hereof until 30 days after publication in the FEDERAL REGISTER (5 U.S.C. 553) in that (1) the handling of lemons is now in progress and to be of maximum benefit the provisions of this amendment should become operative at the time specified herein, (2) the effective time hereof will not require of handlers any preparation that cannot be completed prior thereto, (3) the provisions of this amendment are identical with the recommendations of the Committee and information concerning such provisions has been disseminated among handlers of lemons, and (4) notice of proposed rule making concerning this amendment was published in the FEDERAL REGISTER and no objection to the amendment was received.

(Secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674)

Dated, August 3, 1972, to become effective upon publication in the FEDERAL REGISTER (8–9–72).

PAUL A. NICHOLSON,
Deputy Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[FR Doc.72-12433 Filed 8-8-72;8:47 am]

PART 993—DRIED PRUNES PRODUCED IN CALIFORNIA

Limitation of Handling

On July 1, 1972, a notice of proposed rule making was published in the FEDERAL REGISTER (37 F.R. 13110), regarding amendment of the administrative rules and regulations (Subpart—Administrative Rules and Regulations; 7 CFR 993.101–993.174; 37 F.R. 4245; 5600). The subpart is operative pursuant to the marketing agreement, as amended, and Order No. 993, as amended (7 CFR Part 993; 37 F.R. 861; 3349), regulating the handling of dried prunes produced in California. The amended marketing agreement and order (hereinafter referred to collectively as the "order"), are effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674). The proposal was unanimously recommended by the Prune Administrative Committee.

Interested persons were given 7 days in which to submit written data, views, or arguments with respect to the proposal. None was submitted within the prescribed time.

Recent amendment of the order required conforming changes in the administrative rules and regulations. The changes set forth in the Committee's proposal were: (1) Deleted obsolete provisions including provisions pertaining to the accumulation of certain quality prunes and their disposition for nonhuman consumption; (2) prescribed procedures for the receipt and disposition of undersized prunes, including documentation requirements for such disposition; and (3) made minor changes in handler reporting requirements.

Sections 993.149 and 993.150 contain provisions as to handler receipt and handler disposition of prunes, respectively. Major changes resulting from this amendment of the administrative rules and regulations include revision of § 993.149(c)(2) to provide provisions for receipt of undersized prunes. A new paragraph (g) is added to § 993.150 to provide procedures for handler disposition of undersized prunes. The amendment also deletes paragraph (e) of § 993.149, and references to that paragraph in other sections of the administrative rules and regulations. Paragraph (e) pertains to the disposition of certain quality prunes in nonhuman consumption outlets.

After consideration of all relevant matter presented, including that in the notice, the information and recommendation submitted by the Prune Administrative Committee, and other available information, it is found and determined

that these changes would tend to effectuate the declared policy of the act.

It is, therefore, ordered, That Subpart—Administrative Rules and Regulations (7 CFR 993.101–993.174; 37 F.R. 4245; 5600) be revised as follows:

§ 993.105a [Redesignated]

1. Section 993.105a *Size count.* is redesignated § 993.105 *Size count.*

§ 993.105b [Deleted]

2. Section 993.105b is deleted.

3. Section 993.149(c)(2) is revised to read as follows, and paragraph (e) is deleted.

§ 993.149 Receiving of prunes by handlers.

* * * * *

(c) * * *

(2) *Certification.* Following inspection of a lot not returned to the producer or dehydrator, the handler shall require the inspection service to issue, in quintuplicate, a signed certificate containing at least the following information: (i) The date and place where samples were drawn and the date and place of inspection; (ii) the name and address of the producer or dehydrator, the handler, and the inspection service; (iii) the variety of the prunes, the county in which such prunes were produced, the number and type of the containers thereof, the net weight of the prunes as shown on the applicable door receipt or weight certificate, together with the number of such receipt or certificate and the contract or account number under which the prunes were delivered; (iv) whenever applicable, the percentage by weight of undersized prunes in the lot; (v) with respect to the balance of the lot, the inspector's computation of the percentage of each group or combination of groups of defects for which a maximum tolerance is in effect; (vi) whether the balance of the prunes are standard or substandard; (vii) if substandard, the percentage of weight of off-grade prunes (those defective pursuant to § 993.97) necessary to be removed therefrom in order for the remainder of the balance of the lot to be standard prunes; and (viii) in any crop year in which a reserve percentage other than 0 percent is established, the average size count of all prunes in the lot: *Provided,* That whenever an undersize prune regulation is in effect for the crop year, the average size count shall be of all prunes except undersized prunes in the lot. The handler shall require the inspection service to furnish the producer or dehydrator with one copy of the certificate and the handler with two copies promptly.

* * * * *

(e) [Deleted]

§ 993.150 [Amended]

5. The first sentence of § 993.150(d) is revised to read: "Any lot of standard prunes or standard processed prunes containing more than 2 percent by weight of non-French prunes shall be disposed of only in prune product outlets as prescribed in § 993.50(c) unless the non-French prunes therein have an average count of 40 or less per pound and unless in a 100-ounce sample of the lot, the count per pound of 10 ounces of the smallest prunes in the sample does not vary from the count per pound of 10 ounces of the largest prunes in the sample by more than 35 points."

6. Section 993.150(e)(3) is revised by deleting the words "or to be credited against handler disposition obligations in accordance with § 993.149(e)(2);".

7. Section 993.150(e)(3)(vii) is revised by deleting the words "except for prunes within § 993.149(e)(2),".

8. A new paragraph (g) is added to § 993.150 reading as follows:

(g) *Disposition of undersized prunes.*—(1) *Application for and approval of disposition.* Undersized prunes accumulated by a handler pursuant to § 993.49(c) shall be disposed of in nonhuman consumption outlets during the crop year in which the prunes establishing such obligation were received from producers and dehydrators. Prior to making any such disposition, the handler shall obtain the Committee's approval of his application to do so. The handler's application to ship or otherwise make final disposition of any such undersized prunes shall be submitted on Form PAC 2.21 "Application for Permission to Dispose of Undersized Prunes" which shall set forth: (i) The name and address of the handler's vendee and the name and address of the consignee whether the same as or different from the vendee; (ii) the particular use to be made of the prunes; (iii) if such use is to be by a person other than the handler's vendee or the consignee, the name and address of such user; and (iv) the crop year or the period within, or the portion of, the crop year during which shipment or other disposition is to be made. When the use or the name and address of the consignee or user are not known by the handler, the handler shall arrange for the submission of such information to the Committee. If use is to be by the handler, the application shall so indicate and shall set forth all applicable information. Each application for shipment shall be limited to the handler's vendee and the consignee, if different from the vendee, and to a specific user and use. Each application for final disposition for a particular use by the handler shall be limited to such handler and use. The Committee's approval of a handler's application shall be transmitted to the handler on Form PAC 2.31 "Permission to Dispose of Undersized Prunes." In approving an application, the Committee shall specify the crop year or the period within, or the portion of, the crop year for which the approval is granted. When the use or name and address of the user or consignee are not known to the handler, the Committee shall not approve the application until it has been informed as to such use and user and consignee of the prunes. The requirements of § 993.150(e)(1)(iv) (except item (*a*) thereof), (v), and (vi) with regard to disapproval of applications or revocation of approved applications, evidence of nonhuman disposition, and the maintenance of books and records, applicable to prunes which fail to meet minimum standards, shall also apply to undersized prunes.

(2) *Documentation of disposition of undersized prunes.*—(i) *Inspection and certification.* The handler shall cause an inspection to be made of each lot of undersized prunes prior to shipment or other disposition to determine whether such prunes meet the applicable requirements prescribed with respect to undersized prunes. After such determination, the handler shall cause a signed inspection certificate applicable to such prunes to be forwarded promptly to the Committee.

(ii) *Documentation of shipment or other disposition.* For each quantity of undersized prunes so shipped or otherwise disposed of, the handler shall promptly forward to the Committee one copy of the applicable bill of lading, truck receipt, or related documentation of disposition which shall show: (*a*) The name of the consignee; (*b*) the Committee approval number; (*c*) the destination by name and address of the person designated to receive the prunes; (*d*) the date of shipment or other disposition; (*e*) the inspection certificate number; (*f*) the net weight of the prunes; (*g*) the weight certificate number; and (*h*) identification of the prunes as undersized prunes.

(iii) *Certification of receipt.* The handler shall forward with each quantity of undersized prunes disposed of a certification form in triplicate, Form PAC 4.71 "User's Receipt of Dried Prunes for Nonhuman Usage" on which the handler shall have entered the following applicable information: (*a*) The inspection certificate number; (*b*) the Committee approval number; (*c*) the shipping or other disposition document number; (*d*) the name of the carrier; (*e*) the date of shipment or other disposition; and (*f*) the license or car number of each carrier unit, if applicable, used in the movement of the prunes to the destination of disposition or usage. The handler shall cause, either directly or through the vendee or consignee, the user of the prunes to certify on Form PAC 4.71 the receipt by him of the applicable prunes and to promptly forward the original thereof to the Committee. Such certification shall set forth the location where the prunes were received, the date of such receipt, the name and address of the person who will use or otherwise dispose of the prunes, and the signature and authority of the certificant to act for the user.

(iv) *Certification of usage.* The handler shall cause, either directly or though the vendee or consignee, the user of the prunes to certify, and forward to the Committee, one copy of Form PAC 4.71, following use or disposition thereof, that the prunes have been used or otherwise disposed of, the date and location at which use or other disposition took place, the name and address of the user, the signature and authority of the certificant to act for the user, and the date of his certification.

§ 993.173 [Amended]

9. Section 993.173(a)(4) is revised to read: "An itemized statement listing each lot of prunes in the delivery, showing the date received, receiving point, weight certificate, or door receipt number, inspection certificate number, variety, crop year of production, and the net weight, if any, of prunes shown by the applicable incoming inspection certificate to be disposed of for nonhuman consumption in accordance with § 993.150(g);".

10. Section 993.173(b)(2) is revised to read: "the aggregate net weight of prunes, as shown by the applicable incoming inspection certificates, required to be disposed of for nonhuman consumption in accordance with § 993.150(g);".

Dated August 3, 1972, to become effective 30 days after publication in the FEDERAL REGISTER.

PAUL A. NICHOLSON,
Deputy Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[FR Doc.72-12434 Filed 8-8-72;8:47 am]

Title 13—BUSINESS CREDIT AND ASSISTANCE

Chapter I—Small Business Administration

[Rev. 11, Amdt. 9]

PART 121—SMALL BUSINESS SIZE STANDARDS

Definition for Purpose of SBA Financial Assistance to Certain Agriculture Related Businesses

On June 28, 1972, the Small Business Administration published in the FEDERAL REGISTER (37 F.R. 12730) a notice that it proposed to adopt a $250,000 annual receipts size standard for the purpose of SBA loans to certain agriculture related businesses.

Interested persons were given 15 days in which to submit written comments thereon and no adverse comment was received.

Accordingly, Part 121 of Chapter 1 of Title 13 of the Code of Federal Regulations is hereby amended by adding new § 121.3-10(i) to read as follows:

§ 121.3-10 Definition of Small Business for SBA Loans.

* * * * *

(i) Agriculture production (crops), fish farms, and fish hatcheries. Any concern primarily engaged (1) in an industry set forth in Major Group 01—Agriculture Production—Crops, of the Standard Industrial Classification Manual, (2) in the operation of a fish farm (part of Standard Industrial Classification Industry No. 0279, Animal Specialties, Not Elsewhere Classified), or (3) in the operation of a fish hatchery (part of Standard Industrial Classification Industry No. 0921, Fish Hatcheries and Preserves) is classified as small if its annual receipts do not exceed $250,000.

Effective date. This amendment shall become effective on publication in the FEDERAL REGISTER (8-9-72).

Dated: July 24, 1972.

THOMAS S. KLEPPE,
Administrator.

[FR Doc.72-12422 Filed 8-8-72;8:46 am]

Title 14—AERONAUTICS AND SPACE

Chapter I—Federal Aviation Administration, Department of Transportation

[Docket No. 10658, Amdts. 43-16; 91-102; 121-94; 127-28]

AIRCRAFT MAINTENANCE AND RELATED RECORDS

The purpose of these amendments to Parts 43, 91, 121, and 127 of the Federal Aviation Regulations is to revise the maintenance and related recordkeeping requirements for aircraft and aircraft components.

These amendments are based on a notice of proposed rule making (Notice 70-43) published in the FEDERAL REGISTER on October 29, 1970 (35 F.R. 16740). A number of comments were received in response to the notice and, except for those indicating agreement with the proposal or merely repeating issues discussed and disposed of in the notice, the FAA's disposition of the comments is set forth hereinafter.

Several commentators were concerned that proposed § 91.173 would require more recordkeeping than is now required by the present rule thereby increasing the burden on owners and operators. However, the comments did not cite specific examples to support their concern in this respect. In this connection, both the present and the proposed rules require a complete record of maintenance and alteration of each aircraft and engine. The proposal is clarifying, however, in specifically requiring that records of maintenance and alteration be kept also for propellers, rotors, and appliances. Moreover, whereas the present rule requires total time in service records for aircraft and certain engines, the proposal requires such records only for the airframe and as necessary for showing the current status of life-limited parts, applicable airworthiness directives, and aircraft inspections. A primary objective of the amendments is to produce more useful records and while it is not possible to say in any given case that recordkeeping will not be increased, it is possible that in some instances, there may be a reduction.

In further connection with the recordkeeping under proposed § 91.173, one commentator was concerned that the proposal did not give assurance that work already performed would not be subject to record verification back to the time of construction of the basic airplane or component. However, the commentator's suggestion, that a date be established after which the data specified in the proposal would be required, would permit all records of work performed prior to that date to be destroyed. The purpose of the proposal was to ease the record retention requirement of the present regulations which make no provision for the disposal of superseded or obsolete records that are now part of the "permanent" records and accordingly required to be retained for the life of the article. Proposed § 91.173 effectively makes provision for retaining specific records only for the period of time they are useful, after which they may be discarded. This applies to existing as well as future records. To the extent that the commentator is concerned that the data required to be retained under the present regulations may be set forth in a number of documents and that those documents may also contain data that can be disposed of under the proposal, it should be noted that the owner or operator has the option of retaining those documents or establishing a new record containing only the required data.

Pointing out that proposed § 91.173 does not make specific provision for logging repairs or alterations by reference to FAA Form ACA-337, one commentator asked if that procedure were being deleted. The proposal makes the language of § 91.173(a)(1)(i) consistent with that of § 43.9(a)(1). Accordingly, where maintenance or alteration is recorded by reference to Form ACA-337 in compliance with § 43.9(a)(1), the owner or operator receives from the person who maintains or alters the aircraft an entry to that effect in the aircraft maintenance record. That entry meets the requirement of § 91.173(a)(1)(i) since it references data acceptable to the Administrator and any further description of the work would be superfluous. For this reason, it is unnecessary to include a provision that repairs or alterations may be logged by making specific reference to Form ACA-337 even though, as indicated above, such a recording procedure may continue to be utilized in an appropriate situation.

Three commentators requested clarification of the intent or meaning of the phrase "current status of life-limited parts" used in proposed §§ 91.173(a)(2)(ii) and 91.174(b)(4). Two other commentators questioned whether "life-limited" referred to manufacturers' recommendations or to limitations included in the aircraft type certificates issued by the FAA. The intent of the proposal is to assure that records are kept from which the "current status" of life-limited parts can be determined. The term "life-limited parts" refers to parts or components for which retirement times, service life limitations, parts retirement limitations, retirement life limitations, or life limitations exist. By whatever term they are called, such limitations on life-limited parts are those that are "required" by the Administrator under the provisions of the Federal Aviation Regulations. "Required" life limits may be

established during the type certification of a product and set forth in the type certificate data sheet (or product specification that is a part of the type certificate). They may also be established in an airworthiness directive, in an operator's operations specifications, in an FAA-approved maintenance program, including an inspection program, or in the limitations section of an Airplane Flight Manual or other manual required by an operating rule. Similarly, the phrase "required to be overhauled on a specified time basis", as used in proposed §§ 91.173(a)(2)(iii) and 91.174(b)(5), means "required" by the Administrator under the provisions of the Federal Aviation Regulations and refers to those items which must be overhauled on a specified or "hard" time inservice basis established by one of the same procedures mentioned above in connection with life-limited parts.

Indicating its belief that proposed § 91.173 does not go far enough in setting forth recording requirements, one commentator suggested that the amendment should also require a record of maintenance that had been scheduled but not performed as, for example, work written up by technicians and inspectors or included in a service bulletin but not accomplished prior to return to service because it had been deferred or deemed to be a "noncompliance" item. The situation presented by this commentator relates to air carrier operations and is, therefore, not properly cognizable under § 91.173. However, to the extent that it applies to maintenance in general, the FAA does not agree with this concept of recordkeeping. The FAA believes that a proper maintenance record is a record of the work actually done and of the identification of the persons approving the work. Moreover, contrary to a further recommendation, the FAA does not believe there is any necessity that work performed be recorded both by description and by reference to data acceptable to the Administrator since a proper description of the work may be given without reference to bulletins, manuals, or engineering data.

With reference to the disposition of records, one commentator suggested that at the time of the annual inspection, the required data on time-in-service alterations, and airworthiness directives be submitted to the FAA for retention. Another commentator in a similar vein wanted records of all work, including nondestructive test records, kept for 1 year, whether or not the work was repeated or superseded, and then microfilmed and submitted to the FAA. The FAA disagrees with these comments. Obsolete and redundant records do not aid in determining the current condition of an aircraft, and the FAA does not have facilities to be the repository of such records. Current records, as provided in the amendment to § 91.173, are to be retained by the owner or operator.

One commentator recommended that maintenance records should be required for any time period that an aircraft may have been a public aircraft. However, under the Federal Aviation Act of 1958 public aircraft are not subject to the certification and maintenance requirements of the Federal Aviation Regulations. Therefore, a prospective purchaser of a public aircraft must assess the records of such an aircraft against the recordkeeping requirements of § 91.173 to assure their adequacy for civil aircraft purposes. Finally, it should be noted in connection with proposed § 91.173, that clarification of the term "approved," as requested by another commentator, is unnecessary in view of the definition of that term in Part 1 of the Federal Aviation Regulations. However, § 91.173(a)(1) has been revised to make it clear that it includes records of other required inspections as well as of other approved inspections. In addition, for further clarification and consistency, § 91.173(a)(2) has been revised to list, as records required to be kept, all the information listed for transfer in § 91.174(b) of the proposal.

With regard to proposed § 91.174(b)(1), one commentator reported seeing logbook entries that recorded compliance with airworthiness directives without including a description of compliance and recommended that a "grandfather" provision be provided or the regulation be made more specific as to recording the method of compliance. Contrary to the commentator's understanding, proposed § 91.174(b)(1) merely continues the present requirement that the method of compliance must be recorded. It should be noted that airworthiness directives generally refer to a manufacturer's service bulletin for one acceptable method of compliance, and if the service bulletin is followed, the record of the method of compliance may be made by referencing the service bulletin.

The present regulations require that the entire maintenance record be given to the transferee upon disposition of an aircraft. Notice 70-43, on the other hand, proposed that the mandatory transfer of maintenance records include only summary information in the form of various status and time lists. One commentator requested clarification of the proposed record transfer requirement since it appeared that the transfer of the other maintenance records should be the subject of agreement between seller and purchaser. In this connection, the proposal continued the requirement that all maintenance records required to be kept be made available for inspection by the FAA and the National Transportation Safety Board (NTSB). Therefore, to insure the availability of necessary records, notwithstanding an intervening sale, the transfer requirements of new §§ 91.174, 121.380a, and 127.142, make provision for all maintenance records required to be kept. Following the suggestion of the commentator, maintenance records, other than the status and time summaries, may either be transferred to the purchaser or, upon agreement of seller and purchaser, remain in the physical custody of the seller. In the latter event, however, the purchaser as the new owner, or operator, is not relieved of his responsibility to make the records available for inspection by the FAA and the NTSB.

One commentator objected to continuation of the requirement stated in proposed § 121.380(b) for retention of the record of the last complete overhaul of certain items. The commentator contends that for many such items used by air carriers, complete overhaul has been effectively superseded by the application of various maintenance control programs such as condition-monitoring and fault-isolation techniques. The FAA does not agree, however, that all provisions for overhaul record retention should be deleted. The proposal takes into account the realistic needs of the air carriers and investigative agencies in relation to the present state-of-the-art of data collection, recording, and storage. Notwithstanding the availability of various maintenance control program techniques, overhaul remains a part of maintenance even though the number of items overhauled may vary from operator to operator. Where a maintenance program for an item of aircraft equipment does not require overhaul, of course, there will be no overhaul records requiring retention under this provision. The FAA does agree that there should be a provision for the disposal of overhaul records when the work is superseded by other work. The intent of the Notice was that overhaul records not be subject to the one year rule but that they be retained until the work is superseded by work of equivalent scope and detail, and the proposal has been changed accordingly.

With reference to a query regarding the airworthiness release form, it should be noted that the form itself is not a maintenance record covered by the retention requirements of § 121.380, notwithstanding certain requirements for records relative to it as stated in that section. Retention of the airworthiness release form continues to be governed by § 121.709.

Another comment questioned the different retention times for certain records by air carriers and by repair stations and manufacturers doing work for the carriers and further alleged that the proposal requires a duplication of certain records. However, the FAA does not believe there is any inconsistency. The recording and retention requirements for the carriers on the one hand and repair stations and manufacturers on the other are necessarily governed by the needs of each and are not duplicative. A person performing maintenance for an air carrier must perform and record that work in accordance with the carrier's manual but the manual need not be identical with recording requirements for repair stations or manufacturers.

Anticipating a situation in which records required to be transferred with an aircraft might not be available, one commentator recommended the retention of the provisions of present § 121.699(c) under which an aircraft component, aircraft engine, propeller, or appliance could be placed in service without complete records if certain conditions are met.

However, since the comment was specifically directed at the airframe, the provisions of the section that is being deleted would be inapplicable in any event under the conditions stated in present § 121.699(c). Moreover, as the commentator recognized, it would be rare not to have the aircraft history and total time records available, and such cases should be dealt with on an individual basis.

Proposed § 91.173 deletes the present reference to "permanent" maintenance records. Similarly, proposed §§ 121.380 and 127.141 delete the provisions contained in the present section which, in part, require a record of "all" maintenance. For internal consistency, the related provisions of Part 43—Maintenance, Preventive Maintenance, Rebuilding, and Alteration, should also be changed. Accordingly, this amendment includes editorial changes to §§ 43.9 and 43.11 which delete the word "permanent" in connection with maintenance record entries, and the word "all" with reference to the recording of air carrier or commercial operator maintenance, rebuilding, and alteration.

Finally, the proposal has been editorially revised and minor clarifying changes have been made in the wording of the regulations proposed in Notice 70-43. However, these changes are nonsubstantive in nature. In this connection § 91.161 (b) is being amended to exempt aircraft maintained in accordance with a continuous airworthiness maintenance program as provided in Part 121, or 127, or 135 from the requirements of § 91.174 and the same requirements are being made applicable to those certificate holders in new §§ 121.380a and 127.142. This revision is consistent with the current exemption for these aircraft from the requirements of § 91.173.

Interested persons have been afforded an opportunity to participate in the making of these amendments, and due consideration has been given to all matter presented.

In consideration of the foregoing, Parts 43, 91, 121, and 127 of the Federal Aviation Regulations are amended as follows, effective September 8, 1972:

PART 43—MAINTENANCE, PREVENTIVE MAINTENANCE, REBUILDING, AND ALTERATION

§ 43.9 [Amended]

1. The lead-in sentence of paragraph (a) of § 43.9 is amended by striking out the word "permanent."

2. Paragraph (b) of § 43.9 is amended by striking out the word "all" and substituting the word "the" in place thereof.

§ 43.11 [Amended]

3. The lead-in sentence of paragraph (a) of § 43.11 is amended by striking out the word "permanent."

PART 91—GENERAL OPERATING AND FLIGHT RULES

4. Section 91.161(b) is amended to read as follows:

§ 91.161 Applicability.

* * * * *

(b) Sections 91.165, 91.169, 91.170, 91.171, 91.173, and 91.174 do not apply to an aircraft maintained in accordance with a continuous airworthiness maintenance program as provided in Part 121, 127, or 135 of this chapter.

5. Section 91.173 is amended to read as follows:

§ 91.173 Maintenance records.

(a) Except for work performed in accordance with § 91.170, each registered owner or operator shall keep the following records for the periods specified in paragraph (b) of this section:

(1) Records of the maintenance and alteration, and records of the 100-hour, annual, progressive, and other required or approved inspections, as appropriate, for each aircraft (including the airframe) and each engine, propeller, rotor, and appliance of an aircraft. The records must include—

(i) A description (or reference to data acceptable to the Administrator) of the work performed;

(ii) The date of completion of the work performed; and

(iii) The signature and certificate number of the person approving the aircraft for return to service.

(2) Records containing the following information:

(i) The total time in service of the airframe.

(ii) The current status of life-limited parts of each airframe, engine, propeller, rotor, and appliance.

(iii) The time since last overhaul of all items installed on the aircraft which are required to be overhauled on a specified time basis.

(iv) The identification of the current inspection status of the aircraft, including the times since the last inspections required by the inspection program under which the aircraft and its appliances are maintained.

(v) The current status of applicable airworthiness directives, including the method of compliance.

(vi) A list of current major alterations to each airframe engine, propeller, rotor, and appliance.

(b) The owner or operator shall retain the records required to be kept by this section for the following periods:

(1) The records specified in paragraph (a)(1) of this section shall be retained until the work is repeated or superseded by other work or for 1 year after the work is performed.

(2) The records specified in paragraph (a)(2) of this section shall be retained and transferred with the aircraft at the time the aircraft is sold.

(c) The owner or operator shall make all maintenance records required to be kept by this section available for inspection by the Administrator or any authorized representative of the National Transportation Safety Board (NTSB).

6. Part 91 is amended by adding a new § 91.174 following § 91.173, to read as follows:

§ 91.174 Transfer of maintenance records.

Any owner or operator who sells a U.S. registered aircraft shall transfer to the purchaser, at the time of sale, the following records of that aircraft, in plain language form or in coded form at the election of the purchaser, if the coded form provides for the preservation and retrieval of information in a manner acceptable to the Administrator:

(a) The records specified in § 91.173 (a)(2).

(b) The records specified in § 91.173 (a)(1) which are not included in the records covered by paragraph (a) of this section, except that the purchaser may permit the seller to keep physical custody of such records. However, custody of records in the seller does not relieve the purchaser of his responsibility under § 91.173(c), to make the records available for inspection by the Administrator or any authorized representative of the National Transportation Safety Board (NTSB).

PART 121—CERTIFICATION AND OPERATIONS: DOMESTIC, FLAG, AND SUPPLEMENTAL AIR CARRIERS AND COMMERCIAL OPERATORS OF LARGE AIRCRAFT

7. Section 121.369 is amended by adding a new paragraph (c) to read as follows:

§ 121.369 Manual requirements.

* * * * *

(c) The certificate holder must set forth in its manual a suitable system (which may include a coded system) that provides for preservation and retrieval of information in a manner acceptable to the Administrator and that provides—

(1) A description (or reference to data acceptable to the Administrator) of the work performed;

(2) The name of the person performing the work if the work is performed by a person outside the organization of the certificate holder; and

(3) The name or other positive identification of the individual approving the work.

8. Section 121.380 is amended to read as follows:

§ 121.380 Maintenance recording requirements.

(a) Each certificate holder shall keep (using the system specified in the manual required in § 121.369) the following records for the periods specified in paragraph (b) of this section:

(1) All the records necessary to show that all requirements for the issuance of an airworthiness release under § 121.709 have been met.

(2) Records containing the following information:

(i) The total time in service of the airframe.

(ii) The current status of life-limited parts of each airframe, engine, propeller, rotor, and appliance.

(iii) The time since last overhaul of all items installed on the aircraft which are required to be overhauled on a specified time basis.

(iv) The identification of the current inspection status of the aircraft, including the times since the last inspections required by the inspection program under which the aircraft and its appliances are maintained.

(v) The current status of applicable airworthiness directives, including the method of compliance.

(vi) A list of current major alterations to each airframe, engine, propeller, rotor, and appliance.

(b) Each certificate holder shall retain the records required to be kept by this section for the following periods:

(1) Except for the records of the last complete overhaul of each airframe, engine, propeller, rotor, and appliance, the records specified in paragraph (a)(1) of this section shall be retained until the work is repeated or superseded by other work or for 1 year after the work is performed.

(2) The records of the last complete overhaul of each airframe, engine, propeller, rotor, and appliance shall be retained until the work is superseded by work of equivalent scope and detail.

(3) The records specified in paragraph (a)(2) of this section shall be retained and transferred with the aircraft at the time the aircraft is sold.

(c) The certificate holder shall make all maintenance records required to be kept by this section available for inspection by the Administrator or any authorized representative of the National Transportation Safety Board (NTSB).

9. Part 121 is amended by adding a new § 121.380a following §121.380 in Subpart L, to read as follows:

§ 121.380a Transfer of maintenance records.

Each certificate holder who sells a U.S. registered aircraft shall transfer to the purchaser, at the time of sale, the following records of that aircraft, in plain language form or in coded form at the election of the purchaser, if the coded form provides for the preservation and retrieval of information in a manner acceptable to the Administrator:

(a) The record specified in § 121.380 (a)(2).

(a) The records specified in § 121.380 (a)(1) which are not included in the records covered by paragraph (a) of this section, except that the purchaser may permit the seller to keep physical custody of such records. However, custody of records in the seller does not relieve the purchaser of his responsibility under § 121.380(c) to make the records available for inspection by the Administrator or any authorized representative of the National Transportation Safety Board (NTSB).

§ 121.698 [Reserved]

10. The section heading and substance of § 121.698 are deleted and the section is marked "reserved".

§ 121.699 [Reserved]

11. The section heading and substance of § 121.699 are deleted and the section is marked "reserved".

PART 127—CERTIFICATION AND OPERATIONS OF SCHEDULED AIR CARRIERS WITH HELICOPTERS

12. Section 127.134 is amended by adding a new paragraph (c) to read as follows:

§ 127.134 Manual requirements.

* * * * *

(c) The certificate holder must set forth in its manual a suitable system (which may include a coded system), that provides for preservation and retrieval of information in a manner acceptable to the Administrator and that provides—

(1) A description (or reference to data acceptable to the Administrator) of the work performed;

(2) The name of the person performing the work if the work is performed by a person outside the organization of the certificate holder; and

(3) The name or other positive identification of the individual approving the work.

13. Section 127.141 is amended to read as follows:

§ 127.141 Maintenance recording requirements.

(a) Each certificate holder shall keep (using the system specified in the manual required in § 127.134) the following records for the periods specified in paragraph (b) of this section:

(1) All the records necessary to show that all the requirements for the issuance of an airworthiness release under § 127.319 have been met.

(2) Records containing the following information:

(i) The total time in service of the airframe.

(ii) The current status of life-limited parts of each airframe, engine, propeller, rotor, and appliance.

(iii) The time since last overhaul of all items installed on the aircraft which are required to be overhauled on a specified time basis.

(iv) The identification of the current inspection status of the aircraft, including the times since the last inspections required by the inspection program under which the aircraft and its appliances are maintained.

(v) The current status of applicable airworthiness directives, including the method of compliance.

(vi) A list of current major alterations to each airframe, engine, propeller, rotor, and appliance.

(b) Each certificate holder shall retain the records required to be kept by this section for the following periods:

(1) Except for the records of the last complete overhaul of each airframe, engine, propeller, rotor, and appliance, the records specified in paragraph (a)(1) of this section shall be retained until the work is repeated or superseded by other work or for 1 year after the work is performed.

(2) The records of the last complete overhaul of each airframe, engine, propeller, rotor, and appliance shall be retained until the work is superseded by work of equivalent scope and detail.

(3) The records specified in paragraph (a)(2) of this section shall be retained and transferred with the aircraft at the time the aircraft is sold.

(c) The certificate holder shall make all maintenance records required to be kept by this section available for inspection by the Administrator or any authorized representative of the National Transportation Safety Board (NTSB).

14. Part 127 is amended by adding a new § 127.142 following § 127.141 in Subpart I, to read as follows:

§ 127.142 Transfer of maintenance records.

Each certificate holder who sells a U.S. registered aircraft shall transfer to the purchaser, at the time of sale, the following records of that aircraft, in plain language form or in coded form at the election of the purchaser, if the coded form provides for the preservation and retrieval of information in a manner acceptable to the Administrator:

(a) The records specified in § 127.141 (a)(2).

(b) The records specified in § 127.141 (a)(1) which are not included in the records covered by paragraph (a) of this section, except that the purchaser may permit the seller to keep physical custody of such records. However, custody of records in the seller does not relieve the purchaser of his responsibility under § 127.141(c) to make the records available for inspection by the Administrator or any authorized representative of the National Transportation Safety Board (NTSB).

§ 127.308 [Reserved]

15. The section heading and substance of § 127.308 are deleted and the section is marked "reserved".

§ 127.309 [Reserved]

16. The section heading and substance of § 127.309 are deleted and the section is marked "reserved".

(Secs. 313(a), 601, 605, Federal Aviation Act of 1958, 49 U.S.C. 1354(a), 1421, 1425; sec. 6 (c), Department of Transportation Act, 49 U.S.C. 1655(c))

Issued in Washington, D.C., on August 1, 1972.

J. H. SHAFFER,
Administrator.

[FR Doc.72-12427 Filed 8-8-72;8:47 am]

[Airspace Docket No. 72-EA-59]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, AREA LOW ROUTES, CONTROLLED AIRSPACE, AND REPORTING POINTS

Alteration of Transition Area

On page 12154 of the FEDERAL REGISTER for June 20, 1972, the Federal Aviation Administration published a proposed

regulation which would alter the Petersburg, Va., transition area (37 F.R. 2262).

Interested parties were given 30 days after publication in which to submit written data or views. No objections to the proposed regulations have been received.

In view of the foregoing, the proposed regulation is hereby adopted, effective 0901 G.m.t. October 12, 1972.

(Sec. 307(a) Federal Aviation Act of 1958, 72 Stat. 749, 49 U.S.C. 1348; sec. 6(c), Department of Transportation Act, 49 U.S.C. 1655 (c))

Issued in Jamaica, N.Y., on July 27, 1972.

ROBERT H. STANTON,
Acting Director, Eastern Region.

1. Amend § 71.181 of the Federal Aviation Regulations so as to delete the description of the Petersburg, Va., 700-foot floor transition area and insert the following in lieu thereof:

That airspace extending upward from 700 feet above the surface within an 8-mile radius of the center 37°11'00" N., 77°31'00" W. of Petersburg Municipal Airport, Peters burg, Va., and within 5 miles each side of the 226° bearing from the Petersburg RBN 37°07'48" N., 77°34'30" W., extending from the 3-mile-radius area to 11.5 miles southwest of the RBN.

[FR Doc.72-12428 Filed 8-8-72;8:47 am]

[Airspace Docket No. 72-EA-71]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, AREA LOW ROUTES, CONTROLLED AIRSPACE, AND REPORTING POINTS

Alteration of Transition Area

On page 12153 of the FEDERAL REGISTER for June 20, 1972, the Federal Aviation Administration published a proposed regulation which would alter the Lawrenceville, Va., transition area (37 F.R. 2227).

Interested parties were given 30 days after publication in which to submit written data or views. No objections to the proposed regulation have been received.

In view of the foregoing, the proposed regulation is hereby adopted, effective 0901 G.m.t. October 12, 1972.

(Sec. 307(a), Federal Aviation Act of 1958, 72 Stat. 749, 49 U.S.C. 1348; sec. 6(c), Department of Transportation Act, 49 U.S.C. 1655(c))

Issued in Jamaica, N.Y., on July 27, 1972.

ROBERT H. STANTON,
Acting Director, Eastern Region.

1. Amend § 71.181 of the Federal Aviation Regulations so as to delete the description of the Lawrenceville, Va., 700-foot floor transition area and insert the following in lieu thereof:

That airspace extending upward from 700 feet above the surface within a 5.5-mile radius of the center 36°46'20" N., 77°47'45" W. of Lawrenceville Municipal Airport, Lawrenceville, Va., and within 1.5 miles each side of the Lawrenceville VORTAC 117° radial, extending from the 5.5-mile-radius area to the VORTAC.

[FR Doc.72-12429 Filed 8-8-72;8:47 am]

[Airspace Docket No. 72-SO-71]

PART 73—SPECIAL USE AIRSPACE

Redesignation of Restricted Airspace

The purpose of this amendment to Part 73 of the Federal Aviation Regulations is to redesignate the controlling agency of Restricted Area R-2906 and R-2907, Subareas A and B.

The Federal Aviation Administration has determined that this restricted airspace should be delegated to the Jacksonville TRACON for control.

Since this amendment is minor in nature and no substantive change is effected, notice and public procedure thereon are unnecessary.

In consideration of the foregoing, Part 73 of the Federal Aviation Regulations is amended, effective 0901 G.m.t., October 12, 1972, as hereinafter set forth.

In § 73.29 (37 F.R. 2344 and 4075), the Rodman, Fla., Restricted Area R-2906, and the Lake George, Fla., Restricted Area R-2907, Subareas A and B are amended by deleting the present controlling agency and substituting therefor:

Federal Aviation Administration, Jacksonville TRACON

(Sec. 307(a) Federal Aviation Act of 1958, 49 U.S.C. 1348(a); sec. 6(c), Department of Transportation Act, 49 U.S.C. 1655(c))

Issued in Washington, D.C., on August 2, 1972.

H. B. HELSTROM,
Chief, Airspace and Air Traffic Rules Division.

[FR Doc.72-12430 Filed 8-8-72;8:47 am]

Title 17—COMMODITY AND SECURITIES EXCHANGES

Chapter II—Securities and Exchange Commission

[Release No. 33-5278]

PART 230—GENERAL RULES AND REGULATIONS, SECURITIES ACT OF 1933

PART 231—INTERPRETATIVE RELEASES RELATING TO THE SECURITIES ACT OF 1933 AND GENERAL RULES AND REGULATIONS THEREUNDER

Contents of Prospectuses and to Guides for Preparation and Filing of Registration Statements

The Securities and Exchange Commission has adopted amendments to Rules 425A and 426 under the Securities Act of 1933 (Act) [17 CFR 230.425a, 230.426] and amendments to guides 5, 6, and 21 to guides for preparation and filing of registration statements (Release 33-4936) [33 F.R. 18617]. These amendments were proposed in Release 33-5164 [36 F.R. 13933] in connection with continuing efforts by the Commission to make prospectuses readable. In addition, the record in the Commission's public investigation in the matter of hot issues securities markets[1] indicates that making disclosures available to investors in more readable form may make the disclosure requirements of the Act more effective in conveying a picture of the economic realities involved in investing in high risk new issues of securities.

A considerable number of helpful comments and suggestions were received in response to Release 33-5164 and the proposals, as adopted, reflect certain of the suggestions made.

The object of making prospectuses more readable and understandable requires the cooperation of those who are participants in the preparation of registration statements. Accordingly, the Commission urges issuers, their officers, and directors, underwriters, their respective counsel, and others involved to exercise due diligence not only to assure the accuracy of information in registration statements, but also to assure that such information is readable and understandable.

A brief description of the Commission's action follows.

1. Rules 425A and 426 and guide No. 5 of the guides for preparation and filing of registration statements, set forth in Securities Act Release 4936, have been amended to remove from the cover page of prospectuses certain information heretofore required or permitted to be set forth thereon. Revisions of the guide, as proposed, have been made to require a more adequate description of the convertibility, redemption and other features of warrants and preferred and debt securities on the cover page; to require disclosure of only the existence of material risks of the offering on the cover page with appropriate cross reference to disclosure elsewhere in the prospectus; and to permit additional disclosure on the cover page in special situations.

2. Guide No. 6 of the above-mentioned guides would be amended to require that dilution of the investor's equity in the enterprise be shown in graphic form including appropriate tabular presentation in addition to the textual description of dilution. Alternate graphic presentations would be permitted under the guide as adopted and minor revisions have been adopted to clarify the requirements of the guide.

3. Guide No. 21 of the above-mentioned guides, which relates to the use of the proceeds from the offering, would be amended to require that the use of proceeds be shown in graphic form, in addition to the textual statement with respect to such use. Provision has been made for alternative forms of graphic

[1] File No. 4-4148.

presentation, including appropriate tabular presentation.

Commission action:

I. Pursuant to authority in sections 7, 10, 19(a) and Schedule A of the Securities Act of 1933, the Securities and Exchange Commission hereby amends paragraph (a) of § 230.425a and the first sentence of paragraph (a) of § 230.426 of Chapter II of Title 17 of the Code of Federal Regulations; and guides 5, 6, and 21 for the preparation and filing of registration statements, as set forth below.

§ 230.25a Statement required on prospectuses regarding delivery of prospectuses by dealers.

(a) The statement set forth in paragraph (b) of this section shall be set forth on the inside front or back cover page of every prospectus, inserting the expiration date of the period prescribed by section 4(3) of the Act and § 230.174 thereunder; except that this section shall not apply if, pursuant to § 230.174, dealers are not required to deliver a prospectus, or if the exemption provided by section 4(3) of the Act is not applicable because of the provisions of section 24(d) of the Investment Company Act of 1940. If such expiration date is not known on the effective date of the registration statement it shall be included in the prospectus, copies of which are required to be filed pursuant to § 230.424(b).

* * * * *

§ 230.426 Statement as to stabilizing.

(a) If the registrant or any of the underwriters knows or has reason to believe that there is an intention to overallot or that the price of any security may be stabilized to facilitate the offering of the registered securities there shall be set forth on the inside front cover page of the prospectus a statement in substantially the following form, subject to appropriate modification where the circumstances require. * * *

* * * * *

II. Guide No. 5. No. 5 of the guides for preparation and filing of registration statements in Securities Act Release No. 4936 is to be amended as follows:

5. *Preparation of Prospectuses.* In order to make prospectuses more readable and understandable, and therefore more useful, registrants should limit their length and complexity by careful organizations of the material, appropriate arrangement and subordination of information, use of tables and the avoidance of prolix or technical language and unnecessary detail. In this connection, attention is directed to Rule 460(f).

Material on the cover page should be as brief as possible with an appropriate cross reference to more complete information elsewhere in the prospectus which also should be used in lieu of explanatory notes on the cover page. Generally the cover page should be presented in accordance with the following guidelines except where special circumstances warrant additional disclosure.

a. Name of the issuer;

b. Description and amount of securities offered including, for example, appropriate disclosure of redemption and conversion features of debt securities;

c. The statement required by Rule 425;

d. The table showing the per unit and total offering price to the public, underwriting discounts and commissions and proceeds to the registrant or other persons;

Note: A separate section should be included in the body of the prospectus explaining the details of the compensation and any other benefits accruing to the underwriters including the aggregate cash payments made to the underwriters in connection with the offering such as expenses, finders' fees, and investment counseling fees. All that is required on the cover page is a cross-reference to this section for an explanation of the underwriters compensation. Where an underwriter has received an over-allotment option, maximum-minimum information should be presented in the price table based on the purchase of all or none of the shares subject to the option. The terms of the option should be described in connection with the other compensation to underwriters rather than on the cover page.

e. The name of the underwriter or underwriters;

f. The date of the prospectus;

g. If applicable, a brief identification of the material risks involved in the purchase of the securities with a cross-reference to further discussion in the body of the prospectus; and

Note: If ther has been no previous market for the company's securities, this should be stated in connection with the identification of risks. While no explanation need be given on the cover page as to the method of determining the offering price, there should be appropriate cross-reference to further discussion in the prospectus.

h. Any material required by the laws of any state in which the securities are to be offered.

Note to guide 5: Where an offering is not underwritten, or is underwritten on a best efforts basis or where there is an exchange offer or rights offering, the disclosures should be modified accordingly but every effort should be made to retain the brevity of the disclosure.

III. Guide No. 6. No 6 of the guides for preparation and filing of registration statements is amended to read as follows:

6. *Introductory Statements.* Where appropriate to a clear understanding by investors, there should be set forth immediately following the cover page of the prospectus under an appropriate caption a carefully organized series of short, concise paragraphs, under subcaptions where appropriate, summarizing the principal factors which make the offering one of high risk or speculative. These factors may be due to such matters as an absence of an operating history of the registrant, an absence of profitable operations in recent periods, the financial condition of the registrant, or the nature of the business in which the registrant is engaged or proposes to engage. In this connection, see In the Matter of Universal Camera Corp., 19 S.E.C. 648 (1945) and In the Matter of Doman Helicopter, Inc., 41 S.E.C. 431 (1963).

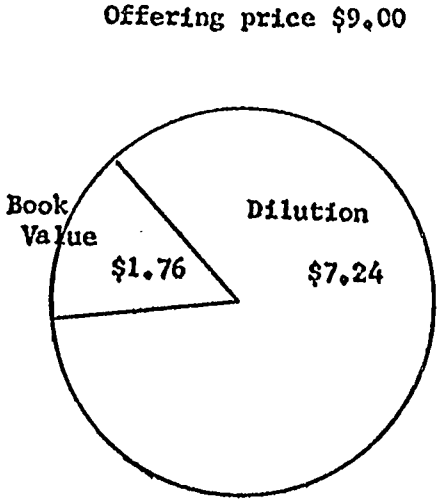
Where there is substantial disparity between the public offering price and the effective cash cost to officers, directors, promoters, private investors and affiliated persons for shares acquired by them in a transaction during the past five years, or which they have a right to acquire, there should be included a comparison of the public contribution under the proposed public offering and the effective cash contribution of such persons. In such cases, and in other instances where the extent of the dilution makes it appropriate, the following shall be given:

a. The net tangible book value per share before and after the distribution;

b. The amount of the increase in such net tangible book value per share attributable to the cash payments made by purchasers of the shares being offered; and

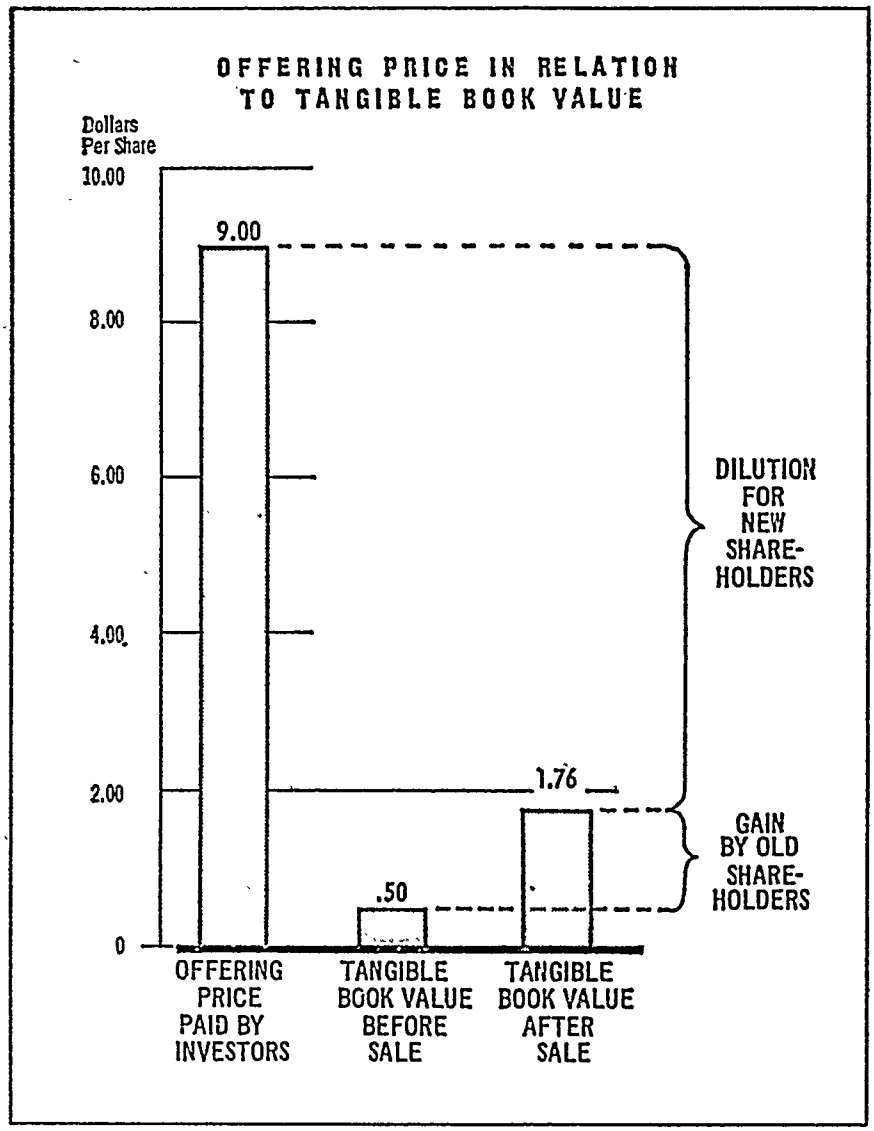
c. The amount of the immediate dilution from the public offering price which will be absorbed by such purchasers.

In addition to the information required to be given in response to this paragraph, there should be set forth in graphic form an illustration of of the dilution of the investor's equity in the enterprise. The presentation will be acceptable if it is comparable in clarity to either of the following charts (appropriate tabular presentations also are acceptable):



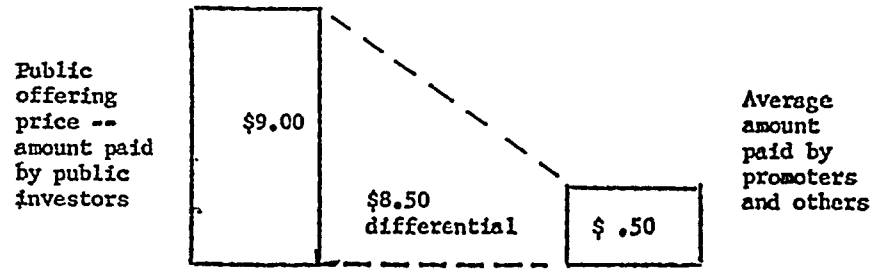
NOTE: Briefly define "book value" and "dilution" in the text of the response.

GRAPHIC ILLUSTRATION OF DILUTION OF A NEW INVESTOR'S EQUITY INVESTMENT



DS 5029

There shall also be set forth a chart in the following form to illustrate the difference between the public offering price and the price paid by promoters and others, including private investors who have previously purchased shares of the registrant (appropriate tabular presentations also are acceptable):



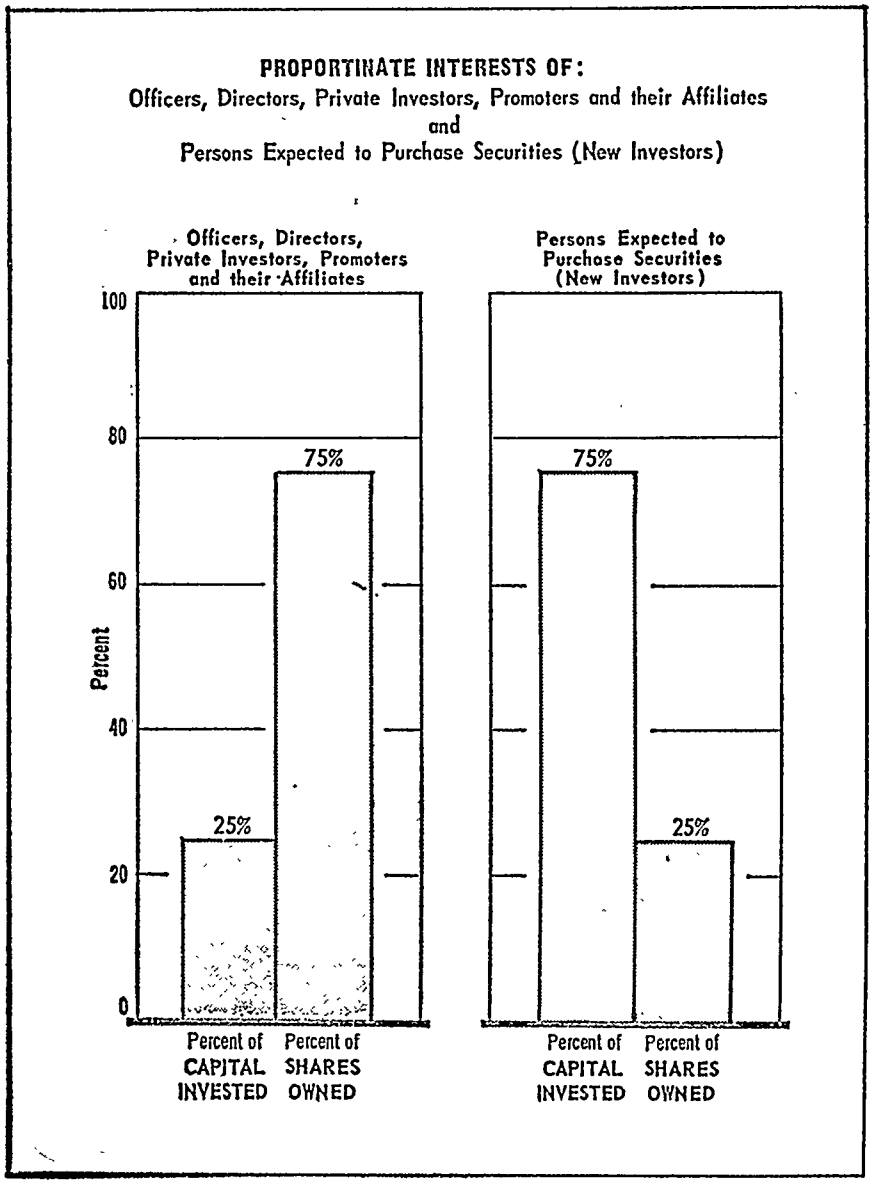
In situations described in the previous paragraph, there shall also be set forth a chart or table to illustrate the percentage of equity in the enterprise purchased by investors in the subject public offering and the percentage of total capital invested by them compared with the percentage of such equity purchased by the

officers, directors, private investors, promoters and their affiliates and the percentage of total capital invested by them. For purposes of this chart, capital investment shall include cash and book value of any tangible property contributed to the registrant.

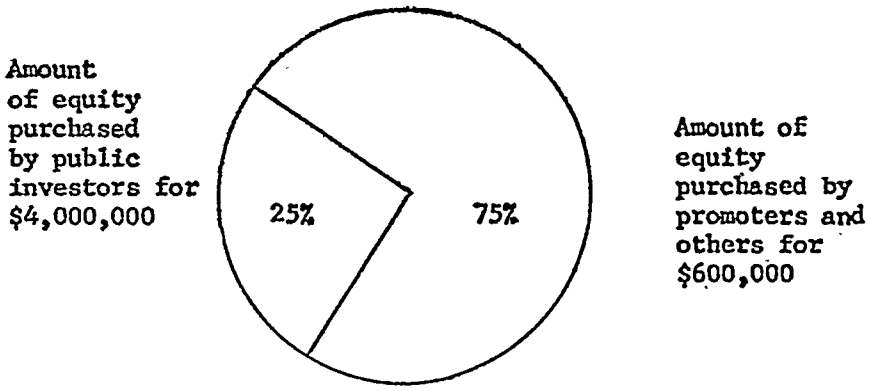
The number of shares purchased by each group and aggregate and per share cost to each should be noted in a footnote to the chart.

Either of the following charts represent example of acceptable presentations:

GRAPHIC ILLUSTRATION OF DILUTION OF A NEW INVESTOR'S EQUITY INVESTMENT



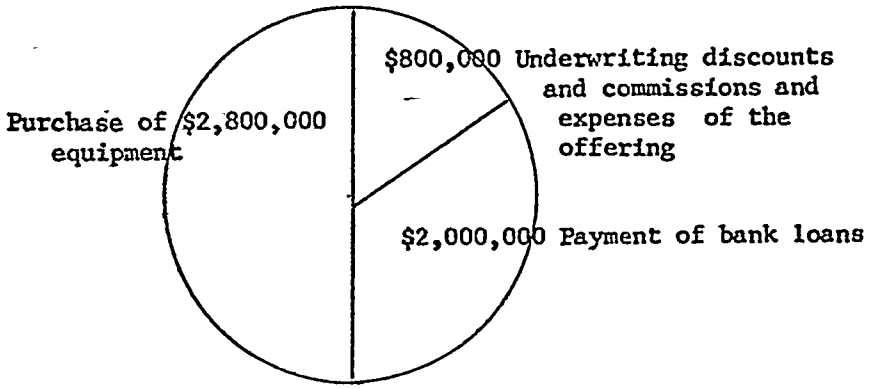
DS 5030



Any graphic presentation presented in accordance with this guide should accurately reflect the mathematical relationship of information presented.

III. Guide 21. No. 21 of the guides for preparation and filing of registration statements is amended by adding thereto an additional paragraph reading as follows:

In addition to the information called for by the appropriate registration form with respect to the use of the net proceeds from the offering, there shall be set forth a pie-chart, table or other graphic illustration of the principle uses of the proceeds. The following is an example of an acceptable presentation:



The Commission has taken the foregoing action pursuant to the Securities Act of 1933, particularly sections 7, 10, and 19(a) thereof and Schedule A thereunder. Such action shall become effective on September 15, 1972, but shall not apply to registration statements pending but not effective on that date.

(Secs. 7, 10, 19(a), 48 Stat. 78, 81, 85, secs. 205, 209, 48 Stat. 906, 908, sec. 8, 68 Stat. 685, 15 U.S.C. 77g, 77j, 77s)

By the Commission.

[SEAL] RONALD F. HUNT, *Secretary.*

JULY 26, 1972.

[FR Doc.72-12446 Filed 8-8-72;8:45 am]

[Release No. 33-5265]

PART 239—FORMS PRESCRIBED UNDER THE SECURITIES ACT OF 1933

Form S-16; Liberalization of Use

The Securities and Exchange Commission has adopted certain amendments to Form S-16 [17 CFR 239.27] under the Securities Act of 1933. This form is a special form which may be used for the registration of securities under the Act by issuers which meet the requirements for the use of another special form, Form S-7 [17 CFR 239.26]. That form is available for use by companies which file reports with the Commission pursuant to the Securities Exchange Act of 1934 and which meet certain tests, including a record of earnings and continuity of management.

The chief purpose of the amendment to Form S-16 is to liberalize the provisions of the form with respect to the conditions under which it may be used, so that it may be used by a larger number of companies. Certain items of the form have also been amended to require additional disclosure in the prospectus. A brief description of the changes is set forth below.

SECONDARY DISTRIBUTIONS

Initiallly, the rule as to the use of the form provided that it could be used for the registration of securities to be offered for the account of persons, other than the issuer, in the regular way on a national securities exchange. The phrase "in the regular way" proved to be ambiguous and it was proposed to omit the phrase and substitute therefor a requirement that the securities must be offered in unsolicited transactions. However, it appears from the comments and otherwise that use of the form would be unduly limited unless solicitation of buy orders is permitted. This provision has therefore been amended to allow the solicitation of buy orders. As is the case with offerings registered on other forms, such solicitation must not contravene the provisions of the Securities Exchange Act of 1934 and the rules thereunder particularly section 10(b) of the Exchange Act and Rules 10(b)(2) and 10(b)(6) thereunder [17 CFR 240.10b-2, 240.10b-6].

As indicated above, the form previously could be used for secondary distributions only of securities of a class listed and registered on a national securities exchange which were to be sold in the regular way on such exchange. The amended form may be used to register securities of a class which is so listed and registered, whether the securities to be offered are to be offered on such exchanges or in the so-called "third market" or otherwise. The amended form may also be used to register securities of a class which is registered pursuant to section 12(g) of the Securities Exchange Act of 1934 and which is quoted on the automated quotation system of a national securities association. This makes the form available for securities of such issuers which are quoted on NASDAQ, the quotation system of the National Association of Security Dealers, Inc.

SECURITIES OFFERED UPON CONVERSION OF OUTSTANDING SECURITIES

The amended form may be used for registration of securities to be offered upon conversion of outstanding convertible securities of the same issuer or of an affiliate of such issuer (i.e. a person in a control relationship with the issuer), provided no commission or other remuneration is paid for soliciting the conversion. Thus, where the exemption in section 3(a)(9) of the Act is not available because a cash payment must be made in connection with the conversion of outstanding convertible securities into other securities of the same issuer, the securities to be issued in the conversion may be registered on the amended form, provided no commission or other remuneration is to be paid for soliciting the conversion. As indicated above, the form may continue, as in the past, to be used to registser securities to be offered upon the conversion of outstanding convertible securities of an affiliate of the issuer of the securities to be offered.

OUTSTANDING TRANSFERABLE WARRANTS

The form may be used for registration of securities to be offered to the holders of outstanding warrants upon the exercise of such warrants, provided no commission or other remuneration is paid for soliciting the exercise of the warrants. This provision has been amended to make clear that it applies only to transferable warrants and may not be used for nontransferable options, warrants, or other rights.

SECURITIES OF CLOSED END MANAGEMENT INVESTMENT COMPANIES

Closed end management investment companies registered under the Investment Company Act of 1940 may also use Form S–16 if they have complied with the reporting and proxy rule requirements of that Act for at least 3 years and comply with certain provisions of Form S–7, provided, of course, that securities of the same class as those to be registered are listed and registered on a national securities association.

ITEM 2

It was proposed to amend Item 2 to require certain additional information with respect to the securities to be offered and the manner in which the offering would be made. The comments indicated the desirability of requiring disclosure of the identity of the broker or dealer by whom the securities are to be offered and the nature of any exclusive agreement between the broker or dealer and the seller of the securities. The item has been expanded to require this information.

ITEM 3

Paragraph (a) of this item, as proposed to be amended, called for the nature of any position, office or other material relationship which the seller of the securities has or has had with the issuer or any of its predecessors or affiliates. The amended paragraph as adopted limits the information to connections within the past 3 years.

Paragraph (c) of the item, as proposed to be amended, called for information as to the transaction or transactions in which the securities to be offered were acquired, if they were acquired within 2 years. The paragraph as adopted requires the information only where the seller is a director, officer or 10 percent security holder of the issuer, or an associate of such person, and the information has not been previously filed with the Commission in a registration statement, report or proxy or information statement.

ITEM 6

It was proposed to add to Item 6 of the form an instruction calling attention to the necessity of filing consents of accountants where certified financial statements are contained in reports or other documents incorporated by reference in the prospectus. This information as adopted provides that such consents need not be filed if the accountant's consent to the incorporation by reference is contained in the report or other document incorporated by reference.

The text of the amendments follows:

I. The rule as to the use of Form S–16 (General Instruction A) has been amended to read as follows:

A. *Rule as to Use of Form S–16.*

(a) Form S–16 may be used for registration under the Securities Act of 1933 of the following securities of any issuer which at the time of filing the registration statement meets the requirements for the use of Form S–7:

(1) Outstanding securities to be offered for the account of any person other than the issuer, if securities of the same class are listed and registered on a national securities exchange or are quoted on the automated quotation system of a national securities association;

(2) Securities to be offered upon the conversion of outstanding convertible securities of the issuer of the securities to be offered, or of an affiliate of such issuer, provided no commission or other remuneration is paid for soliciting the conversion of the convertible securities; or

(3) Securities to be offered upon the exercise of outstanding transferable warrants issued by the issuer of the securities to be offered, provided no commission or other remuneration is paid for soliciting the exercise of such warrants.

(b) Form S–16 may be used by closed end management investment companies for the registration of outstanding securities under the Securities Act of 1933 for the purposes specified in paragraph (a)(1) only (above) and subject to the applicable requirements of section 18(d) of the Investment Company Act of 1940. The form is available to a closed end management investment company provided that such company: (1) is registered as a closed end management investment company under the Investment Company Act of 1940, (2) has been subject to and has complied in all respects including the timeliness of filings, with the requirements of sections 20(a) and 30 (a) and (b) of the Investment Company Act of 1940 for a period of at least 3 fiscal years prior to the filing of the registration statement on this form, and (3) meets the requirements of paragraphs (c) through (f) of the rule as to the use of the Form S–7.

II. Items 2 and 3 of the form have been amended to read as follows:

Item 2. Securities to be Offered and Manner of Offering.

(a) State the title and aggregate amount of securities to be offered and the nature of the transaction or transactions in which they are to be offered. If the securities are to be offered on an exchange, state the name of such exchange and, if they are to be offered in the over-the-counter market, so state.

(b) If the securities to be registered are to be offered for the account of any person or persons other than the issuer, state the name and address of each broker or dealer by whom the securities are to be offered and the amount to be offered by each such broker or dealer.

(c) If any of the persons for whose account the securities are to be offered have entered into an agreement with one or more brokers or dealers for the exclusive or coordinated sale of the securities to be offered, briefly describe the provisions of the agreement, including any volume limitations on sales, the identities of the parties to the agreement and the conditions under which the agreement may be terminated.

Item 3. Securities To Be Offered by Security Holders.

If the securities to be registered are to offered for the account of any person or persons other than the issuer, furnish the following information as to each such person:

(a) The name and address of each such person and the nature of any position, office or other material relationship which he has, or has had within the past 3 years, with the issuer or any of its predecessors or affiliates;

(b) The title and amount of each class of securities of the issuer beneficially owned by him, the amount of each such class which he has the right to acquire through the exercise of options, warrants, or rights and the amount of each class to be offered for his account; and

(c) If the securities are to be offered on behalf of a director or officer of the issuer or a person who owns of record or is known by the issuer to own beneficially 10 percent or more of any class of equity securities of the issuer, or on behalf of any associate of any such director, officer, or security holder, briefly describe the transaction or transactions in which the securities were acquired, including the date on which they were acquired, the amount acquired, the purchase price per share or other unit, or the nature and amount of other consideration, and the market price of the securities on the date of acquisition.

Instruction. Paragraph (c) need not be answered if the information called for has previously been disclosed in a registration statement under the Securities Act of 1933 or in a registration statement, report, or proxy or information statement under the Securities Exchange Act of 1934 or the Investment Company Act of 1940.

III. Item 6 of the form has been amended by adding thereto the following instruction:

Instruction. Attention is directed to Rule 439. The written consent of accountants who certified the financial statements contained in any material incorporated by reference shall be filed with the registration statement unless express consent to such incorporation by reference is contained in the material incorporated by reference. The written consent of accountants who certify financial statements included in future material incorporated by reference shall be filed by amendment to the registration statement no later than the date on which such material is filed with the Commission unless express consent to such incorporation by reference is contained in the material incorporated by reference.

* * * * *

The foregoing action, which has been taken pursuant to the Securities Act of 1933, particularly sections 6, 7, 10, and 19(a) thereof, shall become effective August 15, 1972, except that any issuer which meets the requirements for the use of the amended form may, at its option, use such form for a registration statement filed prior to that date.

(Secs. 6, 7, 10, and 19(a), 48 Stat. 78, 81, 85, 205, 209, 48 Stat. 906, 908, sec. 8, 68 Stat. 685, sec. 1, 79 Stat. 1051, 15 U.S.C. 77f, 77q, 77j, 77s)

By the Commission.

[SEAL] RONALD F. HUNT, *Secretary.*

JUNE 27, 1972.

[FR Doc.72-12450 Filed 8-8-72;8:48 am]

[Release No. 33-5265A]

PART 239—FORMS PRESCRIBED UNDER THE SECURITIES ACT OF 1933

Form S-16; Liberalization of Use; Postponement of Effective Date

On June 27, 1972, in Securities Act Release No. 33-5265 [37 F.R. 15989] the Commission adopted certain amendments to Form S-16 [17 CFR 239.27]. In that release, the action was stated to become effective August 15, 1972, except that any issuer which met the requirements for the use of the amended form may, at its option, use such form for a registration statement filed prior to that date.

Due to the fact that the above action inadvertently was not published in the FEDERAL REGISTER, and in light of the requirement of the Administrative Procedure Act (5 U.S.C. 551 et seq.) that no such action be made effective until 30 days after such publication, the Commission hereby postpones the effective date of the above action until September 15, 1972, except that any issuer which meets the requirements for the use of the amended form may, at its option, use for a registration statement filed prior to that date.

(Secs. 6, 7, 10, and 19(a), 48 Stat. 78, 81, 85, 205, 209, 48 Stat. 906, 908, sec. 8, 68 Stat. 685, sec. 1, 79 Stat. 1051, 15 U.S.C. 77f)

For the Commission.

[SEAL] RONALD F. HUNT, *Secretary.*

AUGUST 3, 1972.

[FR Doc.72-12451 Filed 8-8-72;8:49 am]

Title 15—COMMERCE AND FOREIGN TRADE

Chapter III—Bureau of International Commerce, Department of Commerce

PART 390—GENERAL ORDERS

Export of Cattle Hides; Extension of Validity of Licenses

Pursuant to E.O. 11677 of August 1, 1972, Part 390, section 390.6 of 15 CFR is amended as provided below:

On July 18, 1972, an amendment to Part 390, General Orders, was published in the FEDERAL REGISTER (37 F.R. 14224) which added § 390.6 regarding exports of cattle hides. Section 390.6, as amended on July 18, 1972 (37 F.R. 14313) and July 28, 1972 (37 F.R. 15312), is hereby further amended to extend through September 30, 1972 the validity of validated licenses issued pursuant to paragraph (c) for the transition period July 16, 1972 through August 31, 1972. This change will prevent hardship by extending the period during which the validated licenses issued on the basis of prior export history may be used. No change is made in the applicable dates and requirements with respect to subsequent quota periods. Thus, commencing with September 1, 1972 and through September 30, 1972, exports may be made either pursuant to the unused portion of any validated license obtained on the basis of an allocation of the transition period quota or pursuant to validated license obtained in exchange for cattle hide export tickets.

§ 390.6 [Amended]

Accordingly, paragraph (c)(1) of § 390.6 is amended by deleting the words "August 31, 1972" at the end of the second sentence thereof and substituting therefor the words "September 30, 1972."

Effective Date: August 9, 1972.

RAUER H. MEYER, *Director, Office of Export Control.*

[FR Doc.72-12593 Filed 8-8-72;1:00 pm]

Title 21—FOOD AND DRUGS

Chapter I—Food and Drug Administration, Department of Health, Education, and Welfare

SUBCHAPTER B—FOOD AND FOOD PRODUCTS

PART 27—CANNED FRUITS AND FRUIT JUICES

Canned Figs; Order Amending Standard of Identity

In the matter of amending the standard of identity for canned figs (21 CFR 27.70) to provide for the use of "slightly sweetened water" as an optional packing medium:

A notice of proposed rule making in the above identified matter was published in the FEDERAL REGISTER of January 12, 1972 (37 F.R. 470) based upon a petition submitted by the California Canners and Growers, 3100 Ferry Building, San Francisco, CA 94106.

No comments were received in response to the proposal. On the basis of information submitted in the petition and other relevant information, the Commissioner concludes that it will promote honesty and fair dealing and will be in the interest of consumers to amend the standard of identity for canned figs (§ 27.70) to provide for the use of "slightly sweetened water" as an optional packing medium.

Therefore, pursuant to provisions of the Federal Food, Drug, and Cosmetic Act (secs. 401, 701, 52 Stat. 1046, 1055 as amended 70 Stat. 919, 72 Stat. 948; 21 U.S.C. 341, 371) and under authority delegated to the Commissioner (21 CFR 2.120) *it is ordered,* That Part 27 be amended, as follows:

§ 27.70 Canned figs; identity; label statement of optional ingredients.

* * * * *

(c)(1) The optional packing media referred to in paragraph (a) of this section are:

(i) Water.
(ii) Slightly sweetened water.
(iii) Light sirup.
(iv) Heavy sirup.
(v) Extra heavy sirup.

(2) Each of the packing media in subparagraph (1) (ii) through (v) of this paragraph, inclusive, is prepared with water and a saccharine ingredient. The saccharine ingredient from which packing media in subparagraph (1) (ii) through (v) of this paragraph, inclusive, are prepared is one of the following: Sugar; invert sugar sirup; any combination of sugar or invert sugar sirup and dextrose in which the weight of the solids of the dextrose used is not more than one-half the weight of the solids of the sugar or invert sugar sirup used; any combination of sugar or invert sugar sirup and corn sirup or glucose sirup in which the weight of the solids of the corn sirup or glucose sirup used is not more than one-third the weight of the solids of the sugar or invert sugar sirup used; or any combination of sugar or invert sugar sirup, dextrose, and corn sirup or glucose sirup in which twice the weight of the solids of the dextrose used added to 3 times the weight of the solids of the corn sirup or glucose sirup used is not more than the weight of the solids of the sugar or invert sugar sirup used.

(3) The respective densities of packing media in subparagraph (1) (ii) to (v), of this paragraph, inclusive, as measured on the Brix hydrometer 15 days or more after the figs are canned, are within the range prescribed for each in the following list:

Name of packing medium:	*Brix measurement*
Slightly sweetened water	11° or more but less than 16°.
Light sirup	16° or more but less than 21°.
Heavy sirup	21° or more but less than 26°.
Extra heavy sirup	26° or more but less than 35°.

* * * * *

Any person who will be adversely affected by the foregoing order may at any time within 30 days after its date of publication in the FEDERAL REGISTER file with the Hearing Clerk, Department of Health, Education, and Welfare, Room 6-88, 5600 Fishers Lane, Rockville, Md. 20852, written objections thereto. Objections shall show wherein the person filing will be adversely affected by the order and specify with particularity the provisions of the order deemed objectionable and the grounds for the objections. If a hearing is requested, the objections must state the issues for the

hearing and such objections must be supported by grounds legally sufficient to justify the relief sought. Objections may be accompanied by a memorandum or brief in support thereof. All documents shall be filed in six copies. Received objections may be seen in the above office during working hours, Monday through Friday.

Effective date. This order shall become effective 60 days after its date of publication in the FEDERAL REGISTER, except as to any provisions that may be stayed by the filing of proper objections. Notice of the filing of objections or lack thereof will be given by publication in the FEDERAL REGISTER.

(Secs. 401, 701, 52 Stat. 1046, 1055–56 as amended by 70 Stat. 919 and 72 Stat. 948; 21 U.S.C. 341, 371)

Dated: July 28, 1972.

SAM D. FINE,
Associate Commissioner for Compliance.

[FR Doc.72–12312, Filed 8–8–72;8:45 am]

PART 121—FOOD ADDITIVES

Subpart F—Food Additives Resulting From Contact With Containers or Equipment and Food Additives Otherwise Affecting Food

COMPONENTS OF PAPER AND PAPERBOARD IN CONTACT WITH DRY FOOD AND ADHESIVES

The Commissioner of Food and Drugs, having evaluated the date in a petition (FAP 1B2650) filed by Witco Chemical Corp., 400 North Michigan Avenue, Chicago, Ill. 60611, and other relevant material, concludes that the food additive regulations should be amended, as set forth below to provide for the use of 4-[2-[2-(2-alkoxy(C_{12}–C_{15})ethoxy) ethoxy] ethyl] disodium sulfosuccinate as a component of paper and paperboard in contact with dry food and food packaging adhesives.

Therefore, pursuant to provisions of the Federal Food, Drug, and Cosmetic Act (sec. 409(c)(1), 72 Stat. 1786; 21 U.S.C. 348(c)(1)) and under authority delegated to the Commissioner (21 CFR 2.120), Part 121 is amended in Subpart F as follows:

1. Section 121.2520(c)(5) is amended by alphabetically adding to the lists of substances a new item as follows:

§ 121.2520 Adhesives.

* * * * * *

(c) * * *

(5) * * *

COMPONENTS OF ADHESIVES

Substances	*Limitations*
* * *	* * *
4-[2-[2-(2-alkoxy(C_{12}–C_{15}) ethoxy) ethoxy] ethyl] disodium sulfosuccinate.	* * *
* * *	* * *

2. Section 121.2571(b)(2) is amended by alphabetically adding to the list of substances a new item as follows:

§ 121.2571 Components of paper and paperboard in contact with dry food.

* * * * * *

(b) * * *

(2) * * *

List of substances	*Limitations*
4-[2-[2-(2-alkoxy(C_{12}–C_{15}) ethoxy) ethoxy] ethyl] disodium sulfosuccinate.	For use as a polymerization emulsifier and latex emulsion stabilizer at levels not to exceed 5 percent by weight of total emulsion solids.
* * *	* * *

Any person who will be adversely affected by the foregoing order may at any time within 30 days after its date of publication in the FEDERAL REGISTER file with the Hearing Clerk, Department of Health, Education, and Welfare, Room 6–88, 5600 Fishers Lane, Rockville, Md. 20852, written objections thereto in quintuplicate. Objections shall show wherein the person filing will be adversely affected by the order and specify with particularity the provisions of the order deemed objectionable and the grounds for the objections. If a hearing is requested, the objections must state the issues for the hearing. A hearing will be granted if the objections are supported by grounds legally sufficient to justify the relief sought. Objections may be accompanied by a memorandum or brief in support thereof. Received objections may be seen in the above office during working hours, Monday through Friday.

Effective date. This order shall become effective on its date of publication in the FEDERAL REGISTER (8–9–72).

(Sec. 409(c)(1), 72 Stat. 1786; 21 U.S.C. 348(c)(1))

Dated: July 28, 1972.

SAM D. FINE,
Asociate Commissioner for Compliance.

[FR Doc.72–12313 Filed 8–8–72;8:45 am]

PART 121—FOOD ADDITIVES

Subpart F—Food Additives Resulting From Contact with Containers or Equipment and Food Additives Otherwise Affecting Food

COMPONENTS OF PAPER AND PAPERBOARD IN CONTACT WITH AQUEOUS AND FATTY FOODS

The Commissioner of Food and Drugs, having evaluated the data in a petition (FAP 2B2731) filed by Buckman Labs, Inc., Memphis, Tenn. 38108, and other relevant material, concludes that the food additive regulations should be amended, as set forth below, to provide for the safe use of *N,N,N',N'*-tetramethylethylenediamine polymer with bis(2-chloroethyl) ether, first reacted with 1-chloro-2,3-epoxypropane and then reacted with poly(acrylic acid) as a drainage aid, flocculent, or retention aid in the manufacture of paper and paperboard in contact with aqueous and fatty foods.

Therefore, pursuant to provisions of the Federal Food, Drug, and Cosmetic Act (sec. 409(c)(1), 72 Stat. 1786; 21 U.S.C. 348(c)(1)) and under authority delegated to the Commissioner (21 CFR 2.120), § 121.2526(a)(5) is amended by alphabetically inserting in the list of substances a new item, as follows:

§ 121.2526 Components of paper and paperboard in contact with aqueous and fatty foods.

* * * * * *

(a) * * *

(5) * * *

List of Substances	*Limitations*
* * *	* * *
N,N,N', N'-Tetramethylethylenediamine polymer with bis(2-chloroethyl)ether, first reacted with not more than 5 percent by weight 1-chloro-2,3-epoxypropane and then reacted with not more than 5 percent by weight poly(acrylic acid) such that a 50 percent by weight aqueous solution of the product has a nitrogen content of 4.7–4.9 percent and viscosity of 350–700 centipoises at 25°C as determined by LV series Brookfield viscometer using a No. 2 spindle at 60 rpm (or by other equivalent method).	For use only as a flocculent, drainage aid or retention aid employed prior to the sheet forming operation in the manufacture of paper and paperboard and limited to use at a level not to exceed 0.2 percent by weight of the finished dry paper and paperboard fibers.
* * *	* * *

* * * * * *

Any person who will be adversely affected by the foregoing order may at any time within 30 days after its date of publication in the FEDERAL REGISTER file with the Hearing Clerk, Department of Health, Education, and Welfare, Room 6–88, 5600 Fishers Lane, Rockville, Md. 20852, written objections thereto in quintuplicate. Objections shall show wherein the person filing will be adversely affected by the order and specify with particularity the provisions of the order deemed objectionable and the grounds for the objections. If a hearing is requested, the objections must state the issues for the hearing. A hearing will be granted if the objections are supported by grounds legally sufficient to justify the relief sought. Objections may be accompanied by a memorandum or brief in support thereof. Received objections may be seen in the above office during working hours, Monday through Friday.

Effective date. This order shall become effective on its date of publication in the FEDERAL REGISTER (8–9–72).

(Sec. 409(c)(1), 72 Stat. 1786; 21 U.S.C. 348(c)(1))

Dated: July 28, 1972.

SAM D. FINE,
Associate Commissioner for Compliance.

[FR Doc.72–12317 Filed 8–8–72;8:45 am]

SUBCHAPTER F—REGULATIONS UNDER SPECIFIC ACTS OF CONGRESS OTHER THAN THE FOOD, DRUG, AND COSMETIC ACT

PART 273—BIOLOGICAL PRODUCTS

Transfer of Regulations

Pursuant to the redelegation of authority to administer certain provisions of the Federal Food, Drug, and Cosmetic Act relating to human drugs that are biological products, the functions of the Division of Biologics Standards, National Institutes of Health, have been transferred to and elevated to bureau status within the Food and Drug Administration. The formal statements of organization, functions and delegations of authority for the Bureau of Biologics, appearing in the FEDERAL REGISTER of June 29, 1972, and July 13, 1972 (37 F.R. 12865 and 37 F.R. 13724), establishes the operational framework for the Bureau of Biologics, Food and Drug Administration, and the justification for transferring the regulations pertaining to biological products under Part 73 of Title 42 of the Code of Federal Regulations to the newly established Part 273 of Title 21 of the Code of Federal Regulations to reflect the organizational changes.

Therefore, Part 273 is hereby added to Chapter I of Title 21 of the Code of Federal Regulations to provide for carrying out the functions and responsibilities of the Bureau of Biologics, Food and Drug Administration, regarding human drugs that are biological products. These regulations, formerly appearing as Part 73 of Title 42 of the Code of Federal Regulations, are hereby transferred without substantive change. The following substitutions are hereby made to maintain consistency throughout the regulations:

1. "Commissioner of Food and Drugs" is inserted for "Director, National Institutes of Health," wherever it appears.

2. "Director, Bureau of Biologics" is inserted for "Director, Division of Biologics Standards," wherever it appears.

3. "Food and Drug Administration" is inserted for "National Institutes of Health," wherever it appears.

4. "Bureau of Biologics" is inserted for "Division of Biologics Standards," wherever it appears.

5. The following new address is inserted wherever applicable:

Food and Drug Administration, Bureau of Biologics, Building 29A, 9000 Rockville Pike, Bethesda, Md. 20014.

Effective date. This transfer of regulations becomes effective upon publication in the FEDERAL REGISTER (8–9–72).

Dated: August 7, 1972.

SHERWIN GARDNER,
Deputy Commissioner of Food and Drugs.

[FR Doc.72-12591 Filed 8-8-72;8:55 am]

Title 33—NAVIGATION AND NAVIGABLE WATERS

Chapter I—Coast Guard, Department of Transportation

[CGD 72-51R]

PART 110—ANCHORAGE REGULATIONS

Anchorage Grounds, Security Zones and Regulated Navigation Areas

Correction

In F.R. Doc. 72-8118, appearing in the issue of Wednesday, May 31, 1972, at page 10800, paragraph (a)(4) of § 110.238 should read as follows:

(4) *Naval Anchorage A.* The area enclosed by a line beginning at latitude 13°-26'44.3" N., longitude 144°37'37.8" E.; thence to latitude 13°26'59" N., longitude 144°37'37.8" E., thence to latitude 13°-27'07.6" N., longitude 144°38'56" E.; thence to latitude 13°26'56.6" N., longitude 144°38'56" E.; thence to latitude 13°26'56.6" N., longitude 144°39'03.8" E.; thence to latitude 13°26'51.3" N., longitude 144°39'03.8" E.; thence to latitude 13°26'51.3" N., longitude 144°39'19.4" E.; thence to latitude 13°26'39.2" N., longitude 144°39'19.4" E.; thence to latitude 13°26'37.4" N., longitude 144°37'57" E.; thence to the point of beginning.

Title 41—PUBLIC CONTRACTS AND PROPERTY MANAGEMENT

Chapter 15—Environmental Protection Agency

PART 15-3—PROCUREMENT BY NEGOTIATIONS

Subpart 15-3.4—Types of Contracts

A new Subpart 15-3.4, Types of Contracts, consisting of §§ 15-3.405, *Cost reimbursement type contracts* and 15-3.405-3, *Cost sharing contract,* is added to Part 15-3 of Title 41 of the Code of Federal Regulations. Subpart 15-3.4 will read as set forth below.

Effective date. This regulation will become effective on its date of publication in the FEDERAL REGISTER (8-9-72).

Dated: August 3, 1972.

WILLIAM D. RUCKELSHAUS,
Administrator.

Sec.
15-3.405 Cost reimbursement type contracts.
15-3.405-3 Cost sharing contract.

AUTHORITY: The provisions of this Subpart 15-304 issued under 40 U.S.C. 486(c), sec. 205(c), 63 Stat. 377, as amended.

§ 15-3.405 Cost reimbursement type contracts.

§ 15-3.405-3 Cost sharing contract.

(a) *Cost sharing on research contracts.*—(1) *Purpose.* This section implements Office of Management and Budget Circular No. A-100 with respect to Environmental Protection Agency (EPA) contracts and sets forth basic guidelines governing cost sharing on research contracts with non-Federal organizations.

(2) *Basic guidelines.* (i) Cost sharing with non-Federal organizations shall be encouraged for the following contracts for basic or applied research:

(*a*) A contract which results from an unsolicited proposal except as provided in subparagraph (2)(ii)(*c*) of this paragraph.

(*b*) A contract which does not result from an unsolicited proposal but in which the parties have nevertheless considerable mutual interest in the research (e.g., when it is probable that the performing organization or institution will receive significant future benefits from the research, such as: Increased technical knowledge useful in future operations; additional technical or scientific expertise or training for its personnel; opportunity to benefit through patent rights; and the use of background knowledge in future production contracts).

(ii) Cost sharing ordinarily shall not be applied to the following contracts:

(*a*) Contracts which the Contracting Officer has determined that:

(*1*) The research effort has only minor relevance to the non-Federal activities of the performing organization, which is proposing to undertake the research primarily as a service to the Government; or

(*2*) The performing organization has little or no non-Federal sources of funds from which to make a cost contribution or

(*3*) The performing organization is predominantly engaged in research and development and has little or no production or other service activities and is, therefore, not in a favorable position to make a cost contribution; or

(*4*) Payment of the full cost of the project is necessary in order to obtain the service of the particular organization. The Contracting Officer shall include the substance of his determination in the negotiation summary.

(*b*) Contracts, except when cost sharing is specifically directed by the Chief of the Contract Operations concerned or voluntarily offered by the performing organization, for projects:

(*1*) Whose particular research objective or scope of effort is specified by EPA rather than proposed by the performing organization. This will usually include any formal solicitation for a specific contractual requirement.

(*2*) The principal purpose of which is the production of, or design, testing or

improvement of products, materials, devices, systems, or methods.

(c) Contracts for basic or applied research resulting from an unsolicited proposal when the proposer certifies in writing to the Contracting Officer that it has no commercial production, educational, or service activities on which to use the results of the research, and that it has no means of recovering any cost sharing on such projects.

(iii) The amount of cost sharing should be determined as follows:

(a) For educational institutions and other not for profit or nonprofit organizations, cost sharing normally may vary from 1 percent to as much as 5 percent of the costs of the project. However, amounts greater than 5 percent may be accepted when agreed to by the institution.

(b) For other performing organizations, cost sharing may vary from 1 percent to 50 percent or more of the costs of the research.

(c) Mutuality of interest in the results of the work being performed should be of prime significance in assessing the appropriateness of any particular level of cost sharing within the foregoing ranges.

(40 U.S.C. 486(c), sec. 205(c), 63 Stat. 377, as amended)

[FR Doc.72-12469 Filed 8-8-72;8:50 am]

Title 42—PUBLIC HEALTH

Chapter I—Public Health Service, Department of Health, Education, and Welfare

SUBCHAPTER F—QUARANTINE, INSPECTION, LICENSING

PART 73—BIOLOGICAL PRODUCTS

Transfer of Regulations

Pursuant to the redelegation of authority to administer certain provisions of the Federal Food, Drug, and Cosmetic Act relating to human drugs that are biological products, the functions of the Division of Biologics Standards, National Institutes of Health, have been transferred and elevated to bureau status within the Food and Drug Administration. The formal statements of organization, functions, and delegations of authority for the Bureau of Biologics, appearing in the FEDERAL REGISTER of June 29, 1972 and July 13, 1972 (37 F.R. 12865 and 37 F.R. 13724), establishes the operational framework for the Bureau of Biologics, Food and Drug Administration, and the justification for transferring the regulations pertaining to biological products under Part 73, Title 42 of the Code of Federal Regulations to the newly established Part 273 of Title 21 of the Code of Federal Regulations to reflect the organizational changes.

Therefore, the regulations formerly appearing in Part 73 of Chapter I of Title 42 of the Code of Federal Regulations are hereby transferred to Chapter I of Title 21 and redesignated as Part 273 of that chapter. Accordingly, Part 73 of Title 42 is hereby vacated.

Effective date. This transfer of regulations becomes effective upon publication in the FEDERAL REGISTER (8-9-72).

(Sec. 215, 58 Stat. 690, as amended; 42 U.S.C. 216. Redelegation of Authority of Feb. 18, 1972 (37 F.R. 4004))

Dated: August 4, 1972.

ROBERT Q. MARSTON,
Director,
National Institutes of Health.

[FR Doc.72-12592 Filed 8-8-72;8:55 am]

Title 43—PUBLIC LANDS: INTERIOR

Chapter II—Bureau of Land Management

APPENDIX—PUBLIC LAND ORDERS

[Public Land Order 5243]

[Wyoming 27916]

NEBRASKA

Revocation of Withdrawal for Military Purposes

By virtue of the authority vested in the President and pursuant to Executive Order No. 10355 of May 26, 1952 (17 F.R. 4831), it is ordered as follows:

1. Executive orders of November 14, 1876, and June 28, 1879, establishing and enlarging the Fort Robinson Military Reserve in the State of Nebraska are hereby revoked.

2. Of those lands withdrawn by the above cited Executive orders, the following described lands, found suitable for return to the public domain, are hereby classified as proper for lease or sale under provisions of the Recreation and Public Purposes Act of June 14, 1926, as amended, 43 U.S.C. 869, 869-4 (1970):

SIXTH PRINCIPAL MERIDIAN

T. 31 N., R. 52 W.,
Sec. 7, lots 1 to 4, incl., NE¼, E½NW¼, NE¼SW¼, N½SE¼;
Sec. 8, N½, N½SW¼, N½SW¼SW¼, SE¼SW¼, SE¼;
Ses. 9, lots 1 to 10, inclu., N½NE¼, NW¼, NE¼SE¼, S½SE¼;
Sec. 16;
Sec. 17, NE¼, E½NW¼, E½SW¼NW¼, S½;
Sec. 18, lots 4, 5, 8, 9, NW¼NE¼NW¼, S½NE¼NW¼, SE¼NW¼, E½SW¼, SE¼;
Tracts 37, 38, and 39.
T. 31 N., R. 53 W.,
Tract 37.

The areas described aggregate 11,361.23 acres in Dawes and Sioux Counties.

HARRISON LOESCH,
Assistant Secretary
of the Interior.

AUGUST 2, 1972.

[FR Doc.72-12419 File 8-8-72;8:46 am]

Title 46—SHIPPING

Chapter I—Coast Guard, Department of Transportation

SUBCHAPTER N—DANGEROUS CARGOES

[CGD 71-110a]

PART 146—TRANSPORTATION OR STORAGE OF EXPLOSIVES OR OTHER DANGEROUS ARTICLES OR SUBSTANCES, AND COMBUSTIBLE LIQUIDS ON BOARD VESSELS

Compressed Gases

The purpose of these amendments to Subchapter N, Title 46, Code of Federal Regulations, is to specify the shipping requirements of cold compressed gases.

A notice of proposed rule making, CGFR 71-110, was published in the October 16, 1971 issue of the FEDERAL REGISTER (36 F.R. 20165) proposing to prohibit the carriage of the following cold compressed gases in tank cars on railroad car ferries and trainships:

a. Ethylene, liquefied.
b. Hydrogen chloride, cold.
c. Methane, liquefied.
d. Natural gas, liquefied.
e. Vinyl fluoride, inhibited cold.

Also the notice proposed to prohibit the carriage of carbon dioxide in a portable tank or tank truck and prohibit the carriage of vinyl fluoride in a tank truck.

Public hearings were held on January 11, 1972 and February 22, 1972 and interested persons testified at these hearings. In addition six written comments were received. The oral and written comments were, in the most part, concerned about the following points:

a. The prohibition for the carriage of compressed gas is in tank cars and not for other packaging; therefore, the prohibition should be placed in 46 CFR 146.24-100 rather than the commodity list. The Coast Guard accepts this comment and changes this amendment accordingly.

b. No accident has been reported of shipping compressed gases in tank cars which is the only way to ship the gases to Alaska. The Coast Guard did not intend to stop all shipments of these articles but feels a tight control must be maintained over all potentially dangerous shipments. Therefore, the amendment provides that the commodities may be shipped with the authorization of the Commandant, U.S. Coast Guard.

c. Carbon dioxide is not as dangerous as alluded to in the notice and should not be included with the other gases. The Coast Guard agrees with that contention and the proposed changes to the regulations governing carbon dioxide are revised to allow stowage of tank cars, motor vehicle tank trucks and portable tanks on deck only.

In consideration of the foregoing Part 146 of Title 46, Code of Federal Regulations is amended as follows:

1. By adding the following articles to § 146.04-5 in proper alphabetical sequence to read as follows:

§ 146.04–5 List of explosives and other dangerous articles and combustible liquids.

Article	Class as—	Label required
* * *	* * *	* * *
Ethylene, liquefied	Inf. G	Red gas.
* * *	* * *	* * *
Hydrogen chloride, cold	NonF. G	Green.
* * *	* * *	* * *
Methane, liquefied	Inf. G	Red gas.
* * *	* * *	* * *
Natural gas, liquefied	Inf. G	Red gas.
* * *	* * *	* * *
Vinyl fluoride inhibited, cold.	Inf. G	Red gas.
* * *	* * *	* * *

§ 146.24–100 [Amended]

2. By amending § 146.24–100 as follows:

a. By inserting, for the article carbon dioxide, in column 4 after the word (Boxed) the following:

* * * * * *

Authorized only for stowage:
"On deck protected"
"On deck under cover"

b. By adding the following articles in proper alphabetical sequence to read as follows:

Descriptive name of article	Characteristic properties, cautions, markings required	Label required	Required conditions for transportation—Cargo vessel
* * *	* * *	* * *	* * *
Ethylene, liquefied	Flammable gas	Red gas	Can be shipped only under authorization of the Commandant (see § 146.02-25).
* * *	* * *	* * *	* * *
Hydrogen chloride, cold	Nonflammable gas	Green gas	Can be shipped only under authorization of the Commandant (see § 146.02-25).
* * *	* * *	* * *	* * *
Methane, liquefied	Flammable gas	Red gas	Can be shipped only under authorization of the Commandant (see § 146.02-25).
* * *	* * *	* * *	* * *
Natural gas, liquefied	Flammable gas	Red gas	Can be shipped only under authorization of the Commandant (see § 146.02-25).
* * *	* * *	* * *	* * *
Vinyl fluoride inhibited, cold	Flammable gas	Red gas	Can be shipped only under authorization of the Commandant (see § 146.02-25).
* * *	* * *	* * *	* * *

Passenger vessel	Ferry vessel, passenger, or vehicle	Railroad car ferry, passenger, or vehicle
* * *	* * *	* * *
Not permitted	Not permitted	Not permitted.
* * *	* * *	* * *
Not permitted	Not permitted	Not permitted.
* * *	* * *	* * *
Not permitted	Not permitted	Not permitted.
* * *	* * *	* * *
Not permitted	Not permitted	Not permitted.
* * *	* * *	* * *
Not permitted	Not permitted	Not permitted.
* * *	* * *	* * *

(R.S. 4472, as amended; R.S. 4417a, as amended; sec. 1, 19 Stat. 252, 49 Stat. 1889, sec. 6(b)(1), 80 Stat. 937; 46 U.S.C. 170, 391a, 49 U.S.C. 1655(b)(1); 49 CFR 1.46(b))

These amendments shall become effective on November 10, 1972.

Dated: July 25, 1972.

T. R. SARGENT,
Vice Admiral, U.S. Coast Guard,
Acting Commandant.

[FR Doc.72-12356 Filed 8-8-72;8:45 am]

Title 49—TRANSPORTATION

Chapter X—Interstate Commerce Commission

SUBCHAPTER A—GENERAL RULES AND REGULATIONS

[Ex Parte No. MC-37 (Sub-No. 22)]

PART 1048—COMMERCIAL ZONES

Indianapolis, Ind., Commercial Zone

At a session of the Interstate Commerce Commission, Review Board No. 2, Members Mills, Boyle, and Parker (Board Member Boyle not participating), held at its office in Washington, D.C., on the 18th day of July 1972.

It appearing, that the commercial zone of Indianapolis, Ind., has not been specifically defined and that the Indianapolis, Ind., commercial zone is presently governed by 49 CFR 1048.101(4) and includes Indianapolis and all points within 5 miles of the corporate limits of Indianapolis;

It further appearing, that by petition filed April 13, 1972, Renner's Express, Inc., of Indianapolis, Ind., requested that the Commission institute this rulemaking proceeding to determine for transportation purposes: (1) The present status of Indianapolis, Ind., as a city, Marion County, Ind., as a county, and the government of Indianapolis and Marion County as a Consolidated City; (2) the interpretation of existing certificates and permits authorizing service at Indianapolis and points in Marion County; (3) the interpretation of existing certificates and permits authorizing service within specific mileage of Indianapolis or Marion County, Ind.; and (4) the definition of the limits of the commercial zone, if any, of Indianapolis, Ind.;

It further appearing, that pursuant to section 553 of the Administrative Procedure Act, notice of the said petition was published in the FEDERAL REGISTER, which notice stated that no oral hearings were contemplated; that persons desiring to participate in the proceeding were invited to file representations supporting or opposing the proposal; that Coastal Tank Lines, Inc., and Gateway Transportation Co., Inc., filed representations in support of the petition; and that no representations were filed in opposition thereto;

It further appearing, that the Legislature of Indiana created an entity entitled the Consolidated City under an act entitled "First Class Cities and Counties Act;" that this act became effective January 1, 1970; that a Consolidated City is defined by the act to be a first-class city in a county; a body corporate, including within its boundaries all of the territory of a first-class city and of the county, except for the territory located in excluded cities; that, therefore, Indianapolis has been abolished by this act and has been replaced by the Consolidated City of Indianapolis; that the mayor is the chief executive officer of the Consolidated City of Indianapolis, and the principal legislative body of the Consolidated City and of the county is the "City-County Council;" and that numerous governmental positions and departments were either consolidated or eliminated;

And it further appearing, that the Commission considered these issues in relation to the Metropolitan Government of Nashville and Davidson Counties, Tenn., in *Interpretation of Operating Authorities,* 112 M.C.C. 829 (1971); and that our conclusions and interpretations herein must be consistent with the Commission's decision in the Nashville proceeding;

We find, that certificates, permits, and licenses containing the descriptions worded below shall be construed as follows: (a) "from, to, or between Indianapolis" construed as from, to, or between the Consolidated City of Indianapolis; (b) "except Indianapolis," and variations of this type of exceptions such as "except Indianapolis and points in its commercial zone," "except Indianapolis and points within a specified number of miles of Indianapolis," and "restricted against service at Indianapolis," construed as excepting service at points within the limits of the former city of Indianapolis, or the zone or territory as the case may be, as they existed on the date the certificate, permit, or license was issued, and points within a specified number of miles of such limits; and (c) "from, to, or between points within a specified number of miles of Indianapolis," and variations of this type of description such as "from, to, or between Indianapolis and points within a specified number of miles of Indianapolis," construed as points within a specified number of miles from the last defined limits of the former city of Indianapolis.

We further find, that the zone adjacent to and commercially a part of the Consolidated City of Indianapolis, Ind., should be defined as set forth in the next succeeding paragraph.

It is ordered, That Part 1048 of Subchapter A of Chapter X of Title 49 of the Code of Federal Regulations be, and it is hereby, amended by adding a new subsection 1048.41, reading as follows:

§ 1048.41 Consolidated City of Indianapolis, Ind.

The zone adjacent to and commercially a part of the Consolidated City of Indianapolis, Ind., within which transportation by motor vehicle, in interstate or foreign commerce, not under a common control, management, or arrangement for a continuous carriage or shipment to or from a point beyond the zone, is partially exempt from regulation under section 203(b)(8) of the Interstate Commerce Act (49 U.S.C. 303(b)(8)) includes and is comprised of all points as follows:

(a) The Consolidated City of Indianapolis, Ind., itself.

(b) All of any municipality wholly surrounded, or so surrounded except for a water boundary, by the Consolidated City of Indianapolis. (49 Stat. 543, as amended, 544, as amended, 546, as amended; 49 U.S.C. 302, 303, 304.)

It is further ordered, That this order shall become effective on October 1, 1972, and shall continue in effect until the further order of the Commission.

And it is further ordered, That notice of this order shall be given to the general public by depositing a copy thereof in the Office of the Secretary of the Commission at Washington, D.C., and by filing a copy thereof with the Director, Office of the Federal Register.

By the Commission, Review Board Number 2.

[SEAL] ROBERT L. OSWALD,
Secretary.

[FR Doc.72-12459 Filed 8-8-72;8:49 am]

Title 6—ECONOMIC STABILIZATION

Chapter III—Price Commission

PART 300—PRICE STABILIZATION

Health Providers and Prenotification

The purpose of these amendments is to re-add to paragraph (c) of § 300.18 the last sentence thereof that was inadvertently omitted from that paragraph when it was restated on July 19, 1972 (37 F.R. 14312); and to provide that, in certain cases, the entering into of a contract with an agency of the Federal Government constitutes prenotification.

The last sentence of paragraph (c) of § 300.18 was added on July 13, 1972 (37 F.R. 13716). It provided that an application for an exception thereunder did not prevent the provider from exercising his authority under subparagraph (1) thereof to charge a price in excess of the base price before the request for an exception is acted upon. In restating paragraph (c) on July 19, 1972 (37 F.R. 14312) this sentence was omitted. Since it is the Commission's intention to provide the result stated, the sentence is again added by this amendment.

Section 300.51(a) provides that a manufacturer or service organization which is a prenotification firm may not charge a price in excess of the base price, determine a price with respect to contracts for a custom product or service involving an amount in excess of $1 million, or charge an increased price as a result of the calculation of a base price, without prenotification and approval of the Price Commission. The Commission is of the opinion that, in cases involving prenotification and approval with regard to contracts for the purchase of products or services by an agency of the Federal Government, the entering into of the contract is sufficient prenotification and will constitute approval of the price established in the contract. This action does not, however, have any effect on profit margin determinations.

Because the purpose of these amendments is to correct an inadvertent error, to provide relief from restrictive provisions, and to provide immediate guidance and information as to compliance with price stabilization rules, it is hereby found that notice and public procedure thereon is impracticable and unnecessary and that good cause exists for making it effective less than 30 days after publication.

(Economic Stabilization Act of 1970, as amended, Public Law 91-379, 84 Stat. 799; Public Law 91-558; 84 Stat. 1468; Public Law 92-8, 85 Stat. 13; Public Law 92-15, 85 Stat. 38; Public Law 92-210, 85 Stat. 743; and Executive Order No. 11640, as amended)

In consideration of the foregoing, Part 300 of Title 6 of the Code of Federal Regulations is amended as set forth herein, effective August 8, 1972.

Issued in Washington, D.C., on August 7, 1972.

JAMES B. MINOR,
General Counsel,
Price Commission.

1. Paragraph (c) of § 300.18 is amended by inserting the following new flush sentence at the end thereof:

§ 300.18 Institutional providers of health services.

* * * * *

(c) *Additional limitations.* * * * An application under subparagraph (2) of this paragraph for an exception does not prevent the provider from exercising his authority under subparagraph (1) of this paragraph to charge a price in excess of the base price before the request for an exception is acted upon.

* * * * *

2. Paragraph (a) of § 300.51 is amended by adding the following new sentence at the end thereof:

§ 300.51 Prenotification firms.

(a) *General—Manufacturers and Service Organizations.* * * * The entering into of a contract for the purchase of a product or service by an agency of the Federal Government is considered a prenotification and approval of the price stated in the contract for the purposes of this paragraph.

* * * * *

[FR Doc.72-12537 Filed 8-7-72;12:35 pm]

Proposed Rule Making

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

[7 CFR Part 1030]

[Docket No. AO 361–A7]

MILK IN THE CHICAGO REGIONAL MARKETING AREA

Decision on Proposed Amendments to Marketing Agreement and to Order

A public hearing was held upon proposed amendments to the marketing agreement and the order regulating the handling of milk in the Chicago Regional marketing area.

The hearing was held, pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and the applicable rules of practice (7 CFR Part 900), at Madison, Wis., on May 31, 1972, pursuant to notice thereof issued on May 9, 1972 (37 F.R. 9634).

Upon the basis of the evidence introduced at the hearing and the record thereof, the Deputy Administrator, Regulatory Programs, on July 13, 1972 (37 F.R. 13993), filed with the Hearing Clerk, U.S. Department of Agriculture, his recommended decision containing notice of the opportunity to file written exceptions thereto.

The material issues, findings and conclusions, rulings, and general findings of the recommended decision are hereby approved and adopted and are set forth in full herein, subject to the following modification:

Under Issue No. 2 paragraphs 9 and 10 are revised into one paragraph.

The material issues on the record of the hearing relate to:

1. Pooling standards for distributing plants.
2. Pooling standards for supply plants.

FINDINGS AND CONCLUSIONS

The following findings and conclusions on the material issues are based on evidence presented at the hearing and the record thereof:

1. *Pooling standards for distributing plants.* The provisions with respect to pool distributing plant performance standards should be modified. A pool distributing plant should have disposition of packaged fluid milk products from such plant either on routes or to other plants of not less than the following percentages of the plant's Grade A receipts; 45 percent during each of the months of September through December, 35 percent in each of the months of January, February, March, and August, and 30 percent during each of the months April through July.

The order now provides that for each month a pool distributing plant dispose of not less than 45 percent of its Grade A receipts in the form of packaged fluid milk products on routes or to other plants and that such disposition in the marketing area amount to not less than 10 percent of its Grade A receipts.

Fifteen cooperative associations, representing a substantial majority of the producers on the market, proposed that the pool distributing plant performance standards be modified as described above, except for the percentage applicable during August which they proposed to leave at 45 percent.

No change was proposed in the 10 percent minimum in-area sales performance standard for pool distributing plants.

Class I utilization in the Chicago Regional market is declining. Since 1969 the Class I utilization percentage in the market during several months each year has been lower than the minimum percentage route disposition (Class I) performance standard for a pool distributing plant. Proponents' witness stated that this circumstance encourages operators of some pool distributing plants to adjust their plant operations and become partially regulated. Proponents contended that this poses a problem of instability with respect to producers sharing uniformly in the proceeds from Class I sales in the market and the burden of the reserve milk supply. Thus, they urge that the pooling standard be brought up to date with the supply and sales changes in the market.

In 1971 the amount of producer milk pooled on the Chicago Regional market averaged 76.3 million pounds per month more than in 1969. During the same period Class I sales for the market declined from a monthly average of 300.7 million pounds to 286.9 million pounds and the annual market Class I utilization percentage dropped from 51 percent to 43 percent.

In addition to the trend toward lower market utilization described above, the market utilization varies seasonally due to seasonal fluctuations in production and Class I sales. Increased milk production in the spring, and lower Class I sales during the summer, result in lower market utilization during those periods than during the fall and winter months when production declines and sales increase.

During 1971 Class I utilization in the market varied from a low of 35 percent in June to a high of 50 percent in November. For the first 4 months of 1972 Class I utilization was as follows: January, 43 percent; and February, 43 percent; March, 41 percent; and April, 37 percent.

Each month since January 1971 from one to six plants that had been fully regulated distributing plants failed to meet the 45 percent pool plant performance standard during 1 or more months. During July 1971, when the market utilization was 39 percent, six such plants were partially regulated. These plants received 6.8 million pounds of Grade A milk, which, because of the plants' status, was not pooled under the order.

A handler operating a partially regulated distributing plant has three options under the order with respect to his obligation on Class I sales in the marketing area. The operator of such a plant may (1) offset such sales with the purchase of Class I milk from a Federal order source, (2) pay to the producer-settlement fund the difference between the Class I and uniform prices on that quantity of Class I disposition in the market, or (3) pay the full utilization value at the order class prices to those farmers supplying milk to the plant.

When the marketwide utilization is less than the 45 percent pooling standard the utilization value per hundredweight of milk at a plant with slightly less than 45 percent Class I use exceeds the marketwide uniform price applicable in most price zones under the order.

In such circumstances there is an incentive for a distributing plant operator to procure additional supplies of milk from producers to reduce its utilization percentage below 45 percent and become partially regulated, because he would be in a position to elect to pay his producers the use value of his milk. This value per hundredweight would be greater than the marketwide uniform price.

Appropriately, distributing plant pooling standards should provide pool status for a plant that has a higher utilization than the average for the market and its Class I disposition is primarily within the market, to effect the intent of the marketwide pooling provisions of the order. Through marketwide pooling the proceeds from Class I sales in the market are distributed uniformly among all producers serving the market. Also, the burden of the reserve supplies associated with such Class I sales is distributed uniformly among all producers through marketwide pooling. Such objectives would not be served if the order provided an incentive for a distributing plant operator in the market to reserve a higher use value for the farmers supplying his plant than the weighted average use value for the market. Such incentive tends to exist when the utilization percentage standard for a distributing plant is greater than the marketwide utilization percentage.

The monthly distributing plant performance percentages proposed by proponents are slightly lower than the market utilization percentages during each corresponding month over the past 2 years, except for the month of August.

During August 1970 and 1971 Class I utilization was 43 and 41 percent, respectively, or slightly lower than the present 45 percent pooling standard which proponents proposed to retain during each of the months August through December.

Recently, the Class I utilization for both August and March has been about the same. Although cooperatives proposed different minimum pooling standards for the 2 months it would not be appropriate to set the standard for August significantly above the market's utilization percentage for such month. Thus, the distributing plant performance percentage of 35 percent, which cooperatives proposed for March and is adopted herein, likewise should apply in August. Adoption of a 35 percent performance level in August, along with adoption of the remaining proposed monthly percentages, would more closely align such performance percentages with the market's seasonal pattern of utilization percentages. This will tend to encourage retention of pool status by operators of distributing plants in the market. In turn, it will tend to better effect the uniform sharing of the Class I sales in the market among all producers supplying the market.

2. *Pooling standards for supply plants.* The minimum percentage of Grade A milk receipts from dairy farmers that a supply plant must ship to distributing plants to qualify as a pool plant should be reduced by 5 percentage points in each of the months of August through November.

A supply plant presently qualifies for pooling by shipping at least 40 percent of its Grade A milk received from dairy farmers (including producer milk diverted) to pool distributing plants or producer-handler plants, or to any partially regulated distributing plant as Class I milk to the extent of the latter's distribution of Class I milk in the marketing area, during September, October, and November, and by shipping 30 percent of its receipts to such outlets in all other months. A supply plant that demonstrates its association with the market during the period of seasonally low production, by qualifying during each of the months of August through December, may retain pool plant status during the following 7 months of January through July regardless of shipments.

The Director of the Dairy Division is authorized to adjust the pooling standards applicable during any of the months of August through December by as much as 10 percentage points if he finds such action is necessary to obtain needed shipments or to prevent uneconomic shipments.

Pooling standards for supply plants identify those supply plants that are associated with the market as regular suppliers of milk for fluid use in the market, as opposed to plants that serve other fluid milk markets or the manufacturing use market.

Fifteen cooperative associations of producers supplying the market jointly proposed that the minimum shipping percentage for pool supply plant status be changed to 25 percent in the month of August, and 35 percent in each of the months September, October, and November. The proposed percentages are 5 percentage points lower than those now provided in the order for such months. Proponents' witness stated that the proposed change is needed to facilitate pooling of milk now associated with the market.

Distributing plants in the Chicago Regional market rely on supply plants for a large proportion of their fluid milk requirements. Approximately 1 billion pounds of the 1.7 billion pounds of Grade A milk received by all distributing plants during the months of August through December 1971 were received from pool supply plants.

During 1971 many pool supply plants had difficulty meeting the pooling standards during the fall months. For the period August through December 1971 producer receipts in the market increased 3.9 percent relative to the same period the previous year. Most of the additional milk was associated with pool supply plants. As a result, the proportion of the market's total receipts received by supply plants during the period increased from an average of 71.1 percent in 1970 to 76.1 percent in 1971, an increase of 5 percent.

The proportion of pool supply plant milk shipped to pool distributing plants during the months of August through November declined 5.1 percent from 1969 to 1971. In 1971 supply plant shipment percentages for the August-December period averaged as follows: August, 37.6 percent; September, 46.2 percent; October, 42.6 percent; November, 45.8 percent; and December, 42.7 percent.

For the corresponding months of 1972, it is expected that shipment percentages for supply plants will average 3 to 4 percentage points less than in 1971.

In this market situation it is apparent that the proportion of supply plant milk needed to supplement fluid milk requirements of distributing plants has declined to the point where the present minimum shipping standards need to be reduced 5 percentage points for the months of August through November to accommodate pooling of the milk now associated with the market. The December shipping standard, which is 10 percentage points less than during September through November, should not be reduced. Class I utilization during December 1970 and 1971 was about the same as during the preceding months of September through November each year. Shipments from supply plants were only 4.2 and 4.9 percentage points less in December than the period September through November during 1970 and 1971, respectively.

If the shipping standards are not reduced, handlers undoubtedly will have to modify normal marketing practices to maintain pool status of the producer milk on the market. To insure that the proportion of milk shipped from supply plants is sufficient to qualify such plants for pooling, it probably would be necessary to route current direct receipts of producer milk at distributing plants through supply plants. Such a practice would likely involve unnecessary transportation of milk and should not be encouraged.

Accordingly, it is concluded that proponents' proposal to reduce the minimum supply plant shipping percentages should be adopted.

Rulings on Proposed Findings and Conclusions

No briefs were filed.

General Findings

The findings and determinations hereinafter set forth are supplementary and in addition to the findings and determinations previously made in connection with the issuance of the aforesaid order and of the previously issued amendments thereto; and all of said previous findings and determinations are hereby ratified and affirmed, except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein.

(a) The tentative marketing agreement and the order, as hereby proposed to be amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the Act;

(b) The parity prices of milk as determined pursuant to section 2 of the Act are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply and demand for milk in the marketing area, and the minimum prices specified in the tentative marketing agreement and the order, as hereby proposed to be amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest; and

(c) The tentative marketing agreement and the order, as hereby proposed to be amended, will regulate the handling of milk in the same manner as, and will be applicable only to persons in the respective classes of industrial and commercial activity specified in, a marketing agreement upon which a hearing has been held.

Rulings on Exceptions

No exceptions were received.

Marketing Agreement and Order

Annexed hereto and made a part hereof are two documents, a Marketing Agreement regulating the handling of milk, and an order amending the order regulating the handling of milk in the Chicago Regional marketing area, which have been decided upon as the detailed and appropriate means of effectuating the foregoing conclusions.

It is hereby ordered, That this entire decision, except the attached marketing agreement, be published in the Federal Register. The regulatory provisions of the marketing agreement are identical with those contained in the order as hereby proposed to be amended by the attached order which is published with this decision.

DETERMINATION OF PRODUCER APPROVAL AND REPRESENTATIVE PERIOD

April 1972 is hereby determined to be the representative period for the purpose of ascertaining whether the issuance of the order, as amended and as hereby proposed to be amended, regulating the handling of milk in the Chicago Regional marketing area, is approved or favored by producers, as defined under the terms of the order, as amended and as hereby proposed to be amended, and who, during such representative period, were engaged in the production of milk for sale within the aforesaid marketing area.

Signed at Washington, D.C., on: August 3, 1972.

RICHARD E. LYNG,
Assistant Secretary.

Order[1] amending the order, regulating the handling of milk in the Chicago Regional marketing area.

FINDINGS AND DETERMINATIONS

The findings and determinations hereinafter set forth are supplementary and in addition to the findings and determinations previously made in connection with the issuance of the aforesaid order and of the previously issued amendments thereto; and all of said previous findings and determinations are hereby ratified and affirmed, except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein.

(a) *Findings.* A public hearing was held upon certain proposed amendments to the tentative marketing agreement and to the order regulating the handling of milk in the Chicago Regional marketing area.

The hearing was held pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and the applicable rules of practice and procedure (7 CFR Part 900).

Upon the basis of the evidence introduced at such hearing and the record thereof, it is found that:

(1) The said order as hereby amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the Act;

(2) The parity prices of milk, as determined pursuant to section 2 of the Act, are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply and demand for milk in the said marketing area, and the minimum prices specified in the order as hereby amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest; and

(3) The said order as hereby amended regulates the handling of milk in the same manner as, and is applicable only to persons in the respective classes of industrial or commercial activity specified in, a marketing agreement upon which a hearing has been held.

Order relative to handling. It is therefore ordered that on and after the effective date hereof the handling of milk in the Chicago Regional marketing area shall be in conformity to and in compliance with the terms and conditions of the order, as amended, and as hereby amended, as follows:

The provisions of the proposed marketing agreement and order amending the order contained in the recommended decision issued by the Deputy Administrator, Regulatory Programs, on July 13, 1972, and published in the FEDERAL REGISTER on July 15, 1972 (37 F.R. 13993) shall be and are the terms and provisions of this order, amending the order, and are set forth in full herein.

In § 1030.11, paragraph (a)(3) and the preamble of paragraph (b)(4) are revised as follows:

§ 1030.11 Pool plant.

* * * * * *

(a) * * *

(3) Not less than 45 percent in each of the months of September, October, November, and December and 35 percent in each of the months of January, February, March, and August, and 30 percent in all other months of such receipts is disposed of in the form of packaged fluid milk products, except filled milk, either on routes or moved to other plants. Such disposition is to be exclusive of receipts of packaged fluid milk products from other pool distributing plants.

* * * * * *

(b) * * *

(4) Such percentage shall be not less than 35 percent in each of the months of September, October, and November, and 25 percent in August and 30 percent in all other months, except that a plant which is a pool plant pursuant to this paragraph during each of the months of August through December shall be a pool plant for each of the following months of January through July unless:

* * * * * *

[FR Doc.72-12435 Filed 8-8-72;8:47 am]

[7 CFR Part 1036]

[Docket No. AO-179-A36]

MILK IN THE EASTERN OHIO–WESTERN PENNSYLVANIA MARKETING AREA

Notice of Extension of Time for Filing Exceptions to the Recommended Decision on Proposed Amendments to Tentative Marketing Agreement and to Order

Notice is hereby given that the time for filing exceptions to the recommended decision with respect to the proposed amendments to the tentative marketing agreement and to the order regulating the handling of milk in the Eastern Ohio-Western Pennsylvania marketing area which was issued July 17, 1972 (37 F.R. 14393), is hereby extended to August 24, 1972.

This notice is issued pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900).

Signed at Washington, D.C., on August 3, 1972.

JOHN C. BLUM,
Deputy Administrator,
Regulatory Programs.

[FR Doc.72-12436 Filed 8-8-72;8:47 am]

DEPARTMENT OF TRANSPORTATION

Coast Guard

[46 CFR Parts 2, 146]

[CGD 72-148PH]

ETIOLOGIC AGENTS

Supplemental Notice of Proposed Rule Making

On January 7, 1972, the Coast Guard published a notice of proposed rule making (CGFR 71-170; 37 F.R. 220), Proposed Classification of Etiologic Agents This notice is a supplement for the purpose of proposing an incident-reporting requirement for etiologic agents and proposing to incorporate the newly adopted Department of Health, Education, and Welfare label in lieu of the label proposed in CGFR 71-170.

Interested persons may participate in this proposed rule making by submitting written data, views, or arguments to the U.S. Coast Guard (MHM), 400 Seventh Street SW., Washington, DC 20590. Each person submitting comments should include his name and address, identify the notice (CGD 72-148PH), and give reasons for any recommendations. Comments received will be available for examination by interested persons in Room 8306, Department of Transportation, Nassif Building, 400 Seventh Street SW., Washington, DC.

The Coast Guard will hold an informal hearing on September 5, 1972, at 9:30 a.m. in Conference Room 8332, Department of Transportation, Nassif Building, 400 Seventh Street SW., Washington, DC. Interested persons are invited to attend the hearing and present oral or written statements on this proposal. There will be no cross examination of persons presenting statements. It is requested that anyone desiring to attend the hearing notify the U.S. Coast Guard (MHM), 400 Seventh Street SW., Washington, DC 20590.

The Commandant will evaluate all communications received before September 12, 1972, and take final action on this

[1] This order shall not become effective unless and until the requirements of § 900.14 of the rules of practice and procedure governing proceedings to formulate marketing agreements and marketing orders have been met.

proposal. The proposed regulations may be changed in the light of comments received.

By a separate document published at page 14727 of the July 22, 1972, issue of the FEDERAL REGISTER, the Hazardous Materials Regulations Board of the Department of Transportation proposes amendment to Part 172 of title 49, Code of Federal Regulations. For reasons fully stated in that document the Board has proposed these changes.

The hazardous materials regulations of the Department of Transportation in Title 49 apply to shippers by water, air, and land, and to carriers by air and land. The adoption of this proposed amendment to Title 46 would make the proposal of the Hazardous Materials Regulations Board applicable to carriers by water.

The Coast Guard proposes to incorporate the substance of the Board's proposal in 46 CFR Parts 2 and 146.

In consideration of the foregoing, Chapter I of Title 46 of the Code of Federal Regulations is amended as follows:

§ 2.20–65 [Amended]

1. By adding in § 2.20–65(a) the words "(11) Etiologic agents".

2. By adding in § 2.65(b) the following paragraph:

(7) Fire, breakage, spillage or suspected contamination occurs involving shipment of etiologic agents. In addition to the requirements of this section, notice shall be given to the Center of Disease Control, U.S. Public Health Service, Atlanta, Ga. (Area Code 404 633–5313).

(R.S. 4472, as amended; R.S. 4417a, as amended; sec. 1, 19 Stat. 252, 49 Stat. 1889, sec. 6(b)(1), 80 Stat. 937; 46 U.S.C. 170, 391a, 49 U.S.C. 1655(b)(1); 49 CFR 1.46 (b))

Dated: August 3, 1972.

W. F. REA III,
Rear Admiral, U.S. Coast Guard, Chief, Office of Merchant Marine Safety.

[FR Doc.72-12482 Filed 8-8-72;8:52 am]

[46 CFR Parts 10, 166]

[CGD 72-92P]

GREAT LAKES MARITIME ACADEMY

Listing as a Nautical Schoolship

The Coast Guard is considering amendments to the Nautical Schoolships and the Licensing of Officers' regulations to list the Great Lakes Maritime Academy as a nautical schoolship and to provide its graduates with professional status equivalent to that of graduates of other schoolships.

Interested persons may participate in the proposed rule making by submitting written data, views, or arguments to the Executive Secretary, Marine Safety Council (CMC/82), Room 8234, 400 Seventh Street SW., Washington, DC 20590 (Phone 202–426–1477). Written comments should include the docket number of this notice, the name and address of the person submitting the comments, and the specific section of the proposal to which each comment is addressed.

All relevant communications received on or before September 15, 1972, will be fully considered before final action is taken on this proposal. This proposal may be changed in the light of comments received; however, acknowledgment of individual comments will not be made. Copies of comments received will be available for examination in Room 8234. Copies of comments will be furnished to interested persons upon request to the Coast Guard (CMC/82) and payment of the fees prescribed in 49 CFR 7.81.

The Great Lakes Maritime Academy has been approved by the U.S. Maritime Administration as a nautical schoolship for purposes of Federal financial assistance under 46 CFR 310.3. These amendments would add the Great Lakes Maritime Academy to the list of approved nautical schoolships in 46 CFR 166.01(b).

Graduation from an approved schoolship satisfies the professional requirements for the rating of "able seaman" or "qualified member of the engine department," depending on the course of study, in 46 CFR 12.05 and 12.15 as explained in 46 CFR 166.01(c). Graduation from an approved schoolship in the engineering class also fulfills the minimum service requirements for a license as third assistant engineer, in 46 CFR 10.10–21 and 10.10–23. Normally, graduation from an approved schoolship in the deck class fulfill the minimum service requirements for for a license as third mate of ocean steam or motor vessels in 46 CFR 10.05–33. However, graduation from the Great Lakes Maritime Academy would not fulfill the minimum service requirements for third mate because the training at the Academy is on Great Lakes, and not ocean, vessels. Graduation from the Great Lakes Maritime Academy would fulfill the minimum requirements for a license as pilot.

In consideration of the foregoing, it is proposed to amend Parts 10 and 166 of Title 46 of the Code of Federal Regulations, as follows:

1. By revising § 10.05–33(a)(3)(ii) to read as follows:

§ 10.05–33 Third mate of ocean steam or motor vessels.

(a) * * *

(3) * * *

(ii) The deck class of a nautical schoolship approved by and conducted under rules prescribed by the Commandant and listed in Part 166 of Subchapter R (Nautical Schools) of this chapter, except the deck class of the Great Lakes Maritime Academy.

* * * * *

2. By amending § 10.05–39(b) by adding a new subparagraph (1a) to read as follows:

§ 10.05–39 Pilot.

* * * * *

(b) * * *

(1a) Graduation from the Great Lakes Maritime Academy in the deck class; or,

* * * * *

(R.S. 4438, as amended; 46 U.S.C. 224, 1040 Reorg. Plan No. 3, §§ 101–104, 60 Stat. 1097 49 CFR 1.46(b))

* * * * *

3. By revising § 166.01(b) to read as follows:

§ 166.01 Approval of nautical schoolships.

* * * * *

(b) It has been made to appear to the satisfaction of the Commandant that the schoolships operated by the States in which they are located, namely, by the California Maritime Academy, Great Lakes Maritime Academy at Northwestern Michigan College, Maine Maritime Academy, Massachusetts Maritime Academy, New York State Maritime College, and Texas Maritime Academy, and by the United States Merchant Marine Academy, the United States Naval Academy, and the United States Coast Guard Academy, have adopted a course of study for their students complying with the rules prescribed by the Commandant, and a system of instruction adequate to equip the deck and engineering students theoretically and physically in the rudiments of seamanship and navigation necessary to qualify the graduates for the rating of "able seamen" and in all branches of marine engineering necessary to qualify the graduates for the rating of "qualified member of the engine department," respectively.

* * * * *

(Sec. 13, 38 Stat. 1169; 46 U.S.C. 672, 49 CFR 1.46(b))

Dated: August 4, 1972.

G. H. READ,
Captain, U.S. Coast Guard, Acting Chief, Office of Merchant Marine Safety.

[FR Doc.72-12479 Filed 8-8-72;8:51 am]

[46 CFR Part 66]

[CGD 72-75P]

FERNANDINA BEACH, FLA.

Proposed Revocation of Designation as Port of Documentation

The Coast Guard is considering an amendment to the documentation and measurement of vessels regulations to revoke the designation of Fernandina Beach, Fla., as a port of documentation.

If the regulations are so amended, the Coast Guard would close the documentation office at Fernandina Beach and transfer the documentation records to the office of the Commanding Officer, U.S. Coast Guard Marine Inspection, 2701 Talleyrand Avenue, Jacksonville, FL 32206. The port of documentation of all vessels documented in Fernandina Beach would change to Jacksonville.

Interested persons may participate in this proposed rule making by submitting written data, views, or arguments to the Commander, 7th Coast Guard District, 1018 Federal Building, 51 Southwest First Avenue, Miami, FL 33130. Each person submitting comments should identify the notice (CGD 72-75P), the

subject to which it is directed, the reason or basis for views expressed, and the name, address, and business firm or organization (if any) of the submitter. Each communication received before Sept. 12, 1972, will be considered and evaluated before final actions are taken on the proposals. The proposals may be changed in the light of comments received.

At this time, no hearing is contemplated on the proposals in this document, but arrangements may be made for informal conferences with cognizant Coast Guard officials by contacting the Commander, 7th Coast Guard District. Any data or views presented during such informal conferences must be submitted in writing to the Commander, 7th Coast Guard District, in accordance with this notice, in order that they may become part of the record. Copies of all written comments received by the Commander, 7th Coast Guard District, will be available for examination by interested persons at 1018 Federal Building, 51 Southwest First Avenue, Miami, FL, both before and after the closing date.

The Coast Guard is making this proposal to reduce the cost of vessel documentation without substantial reduction of services to the public.

In consideration of the foregoing, it is proposed to amend Subpart 66.05 of Title 46, Code of Federal Regulations, by amending § 66.05-1 to remove Fernandina Beach, Fla., from the list of ports of documentation for the Jacksonville Marine Inspection Zone in the 7th Coast Guard District.

This proposal is made under the authority of section 2, 23 Stat. 118, as amended (46 U.S.C. 2), section 1, 43 Stat. 947, as amended (46 U.S.C. 18), sec. 6 (b)(1), 80 Stat. 937 (49 U.S.C. 1655(b)(1)); and 49 CFR 1.46 (b).

Dated: July 31, 1972.

T. R. SARGENT,
Vice Admiral, U.S. Coast Guard,
Acting Commandant.

[FR Doc.72-12478 Filed 8-8-72;8:50 am]

Federal Aviation Administration

[14 CFR Part 71]

[Airspace Docket No. 72-GL-36]

FEDERAL AIRWAY

Proposed Alteration

The Federal Aviation Administration (FAA) is considering an amendment to Part 71 of the Federal Aviation Regulations that would designate a south alternate to VOR Federal Airway No. 2 between Nodine, Wis., and Lone Rock, Wis.

Interested persons may participate in the proposed rule making by submitting such written data, views or arguments as they may desire. Communications should identify the airspace docket number and be submitted in triplicate to the Director, Great Lakes Region, Attention: Chief, Air Traffic Division, Federal Aviation Administration, 2300 East Devon Avenue, Des Plaines, IL 60018. All communications received within 30 days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendment. The proposal contained in this notice may be changed in the light of comments received.

An official docket will be available for examination by interested persons at the Federal Aviation Administration, Office of the General Counsel, Attention: Rules Docket, 800 Independence Avenue SW., Washington, DC 20591. An informal docket also will be available for examination at the office of the Regional Air Traffic Division Chief.

The proposed south alternate would extend from Nodine via the intersection of the Nodine 146° M.(150° T.) and the Lone Rock 282° M.(285° T.) radials to Lone Rock.

The FAA proposes the designation of a south alternate airway, V-2S, between Nodine, and Lone Rock, because of increased traffic in this area. Most of the over flights operate on V-2 creating control problems for arrival and departure flights at Lone Rock. The designation of the south alternate would delete the requirement for off airway climbs and would expedite arrivals and departures.

This amendment is proposed under the authority of section 307(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1348(a)) and section 6(c) of the Department of Transportation Act (49 U.S.C. 1655(c)).

Issued in Washington, D.C., on August 2, 1972.

CHARLES H. NEWPOL,
Acting Chief, Airspace and Air
Traffic Rules Division.

[FR Doc.72-12431 Filed 8-8-72;8:47 am]

Federal Highway Administration

[49 CFR Part 393]

[Docket No. MC-41; Notice No. 72-10]

COILED NYLON BRAKE TUBING

Notice of Proposed Rule Making

On petition of Leaseway Transportation Corp., the Director of the Bureau of Motor Carrier Safety is considering an amendment to § 393.45 of the Motor Carrier Safety Regulations to permit the use of coiled nylon brake tubing in certain applications on commercial motor vehicles operated in interstate or foreign commerce. Under the proposed amendment, motor carriers would be permitted to use coiled nylon brake tubing that meets the requirements for Type 3B nylon tubing in SAE Standard J844C for connections between towed and towing vehicles or between the frame and an adjustable axle of a towed vehicle. At present, use of nylon tubing for these purposes is not permitted under § 393.45 because it does not meet the SAE Standards for airbrake hose.

The proposal grows out of a test program conducted by Leaseway Transportation Corp., Pacific Intermountain Express Co., and Cleveland Freight Lines, Inc., during the period from January 1971 to April 1972. The program had the advance approval of the Bureau; it was conducted under conditions specified by the Bureau and agreed to by the carriers. During the program, 145 test vehicles equipped with brake hoses of coiled nylon tubing amassed approximately 10 million miles of operations under a large range of different weather conditions and in several different regions of the country.

Twenty-one hose failures occurred during the program. The majority of the failures (12) took place when the hose kinked at the point where it joined the brass coupler fitting at the end of each section of hose. Manufacturers who suppplied the hoses to the carriers believe they have developed a remedy for this problem. The "fix" consists of threading the spring guard at the end of the hose internally into the brass coupler fitting instead of externally around its circumference. While this solution appears to be a satisfactory remedy for the immediate problem, it is somewhat design limiting, and the Director particularly invites comments on methods of preventing any possible kinking, at both the ends of the hose and other points along its length.

Four other failures occurred when heat was applied to the hose during shop repair work. Two of the failures came when hot bolts, which had been cut off a muffler support bracket, fell on the hoses and burned through them. Another heat failure occurred because the hoses on a unit came to rest on a hot muffler when the vehicle was in an extreme jackknife position. None of these failures occurred during operation of a vehicle over the road. Standing alone, they do not appear to warrant continuing the prohibition on use of nylon hoses. However, the Director would welcome submissions of data concerning the relative abilities of SAE J1402-type hoses presently used for tractor-to-trailer connections and the SAE J844C Type 3B nylon tubing (being considered in this proceeding) to withstand heat likely to be encountered from various sources during the over-the-road operations of combination vehicles.

Four abrasion failures occurred during the test program. All of the failures resulted from chafing that took place when the hoses were not properly secured in their cab-mounted glad hand brackets during bobtailed or yard-switching operations. One of the hoses was abraded by the vehicle's driveshaft, one was abraded on the "diamond plate" decking, and two were cut by fifth-wheel mounting bolts. None of these failures appears to be attributable to deficiencies in the design of nylon tubing.

Based upon the above-discussed tests and the contents of Leaseway's petition, the Director proposes to amend § 393.45 of the Motor Carrier Safety Regulations (Subchapter B in Chapter III of Title 49, CFR) to read as set forth below.

Proposed effective date: January 1, 1973.

Interested persons are invited to submit data, views, or arguments pertaining to this proposal. Comments, identifying the docket number and notice number appearing at the top of this Notice, should be submitted in three copies to the Bureau of Motor Carrier Safety, Federal Highway Administration, Washington, D.C. 20590. All comments received before the close of business on September 29, 1972, will be considered before further action is taken on the proposal. All comments will be available for examination in the Bureau's rules docket, located at 400 Seventh Street SW., Washington, DC, both before and after the closing date for comments.

This notice of proposed rule making is issued under the authority of section 204 of the Interstate Commerce Act, as amended, 49 U.S.C. 304, section 6 of the Department of Transportation Act, 49 U.S.C. 1655, and the delegations of authority by the Secretary of Transportation and the Federal Highway Administrator at 49 CFR 1.48 and 49 CFR 389.4, respectively.

Issued on August 1, 1972.

ROBERT A. KAYE,
Director, Bureau of Motor Carrier Safety.

§ 393.45 Brake tubing and hose, adequacy.

(a) *General requirements.* Brake tubing and brake hose must—

(1) Be designed and constructed in a manner that insures proper, adequate, and continued functioning of the tubing or hose;

(2) Be installed in a manner that insures proper continued functioning of the tubing or hose;

(3) Be long and flexible enough to accommodate without damage all normal motions of the parts to which they are attached;

(4) Be suitably secured against chafing, kinking, or other mechanical injury;

(5) Be installed in a manner that prevents it from contacting the vehicle's exhaust system or any other source of high temperatures; and

(6) Conform to the applicable requirements of paragraph (b) of this section.

(b) *Special requirements*—(1) *Conformity with SAE Standards.* Except as provided in subparagraph (2) of this paragraph, brake hose must conform to the applicable specification set forth in Society of Automotive Engineers (SAE) Standard J1401, "Hydraulic Brake Hose," January 1967, SAE Standard J1402b, "Air Brake Hose," June 1971, or SAE Standard J1403, "Vacuum Brake Hose," June 1968.

(2) *Nylon brake tubing.* Coiled nylon brake tubing may be used for connections between towed and towing vehicles or between the frame of a towed vehicle and an adjustable axle of that vehicle if—

(i) The tubing conforms to the requirements for Type 3B nylon tubing set forth in Society of Automotive Engineers Standard J844C, "Air Brake Tubing and Pipe," December 1970;

(ii) The coiled tubing has a straight segment (pigtail) at each end that is at least 6 inches in length and is encased in a spring guard or similar device which prevents the tubing from kinking at the fitting at which it is attached to the vehicle; and

(iii) The spring guard or similar device has at least 2 inches of closed coils or similar surface at its interface with the fitting and extends at least 1½ inches into the coiled segment of the tubing from its straight segment.

[FR Doc.72-12456 Filed 8-8-72;8:51 am]

National Highway Traffic Safety Administration

[49 CFR Part 571]

[Docket No. 72-19; Notice 1]

LAMPS, REFLECTIVE DEVICES, AND ASSOCIATED EQUIPMENT

Reflectors on Certain Trailers

The purpose of this notice is to propose an amendment to 49 CFR 571.108a, Motor Vehicle Safety Standard No. 108a, *Lamps, Reflective Devices, and Associated Equipment,* that would substitute amber reflex reflectors on certain trailers for the front clearance lamps presently required.

Standard No. 108a requires that all trailers of 80 or more inches overall width be equipped, at the front, with two amber clearance lamps "to indicate the overall width of the vehicle, one on each side of the vertical centerline, at the same height, and as near the top as practicable." Truck Trailer Manufacturers Association has petitioned for the deletion of these lamps on semitrailers, and the substitution of amber reflex reflectors. The petition stated in justification:

> * * * Years ago when tractor cabs were considerably narrower than trailers, the need for clearance lamps on the full width of the trailer could be justified because they provided a marker or gage by which an oncoming motorist could judge the necessary clearance to pass the tractor trailer safely. Nowadays the tractors extend to the same width as the trailers * * *. These factors combine to make the trailer forward clearance lamps superfluous * * *.
>
> Additionally, for many types of low silhouette trailers such as tank trailers, flat beds, platforms, dry bulkers, etc., the location of this amber lamp is actually hazardous. The lamp frequently lies in the direct line of the rear vision mirrors and causes a constant yellow glare which obscures the driver's surveillance of road traffic to the rear.

The Administration has determined that TTMA's petition merits initiation of rule making, and is proposing that trailers of 80 or more inches overall width with a gross vehicle weight rating of more than 10,000 pounds need not be equipped with front clearance lamps but may be equipped with amber reflex reflectors in lieu thereof. Trailers 80 or more inches wide but with a GVWR of 10,000 pounds or less would still be required to be equipped with front clearance lamps. These trailers are more likely to be hauled by vehicles less than 80 inches in overall width, and justification has not been shown for proposing removal of their clearance lamps.

In consideration of the foregoing, it is proposed that Motor Vehicle Safety Standard No. 108a, 49 CFR 571.108a be amended by adding a new paragraph S4.1.1.—to read as follows:

S4.1.1.— A trailer of 80 or more inches overall width with a GVWR of more than 10,000 pounds is not required to have front clearance lamps, if instead it has amber reflex reflectors at the front to indicate the overall width of the trailer, one on each side of the vertical centerline, at the same height, and located not less than 15 inches nor more than 60 inches above the road surface.

Interested persons are invited to submit written data, views, or arguments on this proposal. Comments should refer to the docket number and be submitted to: Docket Section, National Highway Traffic Safety Administration, Room 5219, 400 Seventh Street SW., Washington, DC 20590. It is requested, but not required, that 10 copies be submitted. All comments received before the close of business on September 8, 1972, will be considered, and will be available in the docket at the above address for examination both before and after the closing date. To the extent possible, comments filed after the above date will also be considered by the Administration. However, the rule making action may proceed at anytime after that date, and comments received after the closing date and too late for consideration in regard to the action will be treated as suggestions for future rule making. The Administration will continue to file relevant material, as it becomes available, in the docket after the closing date, and it is recommended that interested persons continue to examine the docket for new materials.

Proposed effective date: January 1, 1973.

This notice is issued under the authority of sections 103 and 119 of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1392, 1407) and the delegations of authority at 50 CFR 1.51 and 49 CFR 501.8.

Issued on July 31, 1972.

ROBERT L. CARTER,
Associate Administrator, Motor Vehicle Programs.

[FR Doc.72-12432 Filed 8-8-72;8:47 am]

FEDERAL COMMUNICATIONS COMMISSION

[47 CFR Part 25]

[Docket No. 16495]

ESTABLISHMENT OF DOMESTIC COMMUNICATIONS-SATELLITE FACILITIES BY NONGOVERNMENTAL ENTITIES

Extension of Time for Filing Reply Comments

Order. In the matter of establishment of domestic communications-satellite facilities by nongovernmental entities, Docket No. 16495.

Upon consideration of the motions filed by the State of Alaska and MCI Lockheed Satellite Corp., for extension of time for filing responses to petitions for reconsideration of the Commission's Memorandum Opinion and Order herein (FCC 72-531);

It appearing, that good cause has been shown by movants for additional time to file responsive pleadings;

It is hereby ordered, Pursuant to § 0.303 of the Commission's rules and regulations, that the time for filing responses to the aforementioned petitions is extended to August 25, 1972, and that the time for filing replies to such responses is extended to September 1, 1972.[1]

Adopted: August 3, 1972.

Released: August 3, 1972.

[SEAL] BERNARD STRASSBURG,
Chief, Common Carrier Bureau.

[FR Doc.72-12472 Filed 8-8-72;8:52 am]

FEDERAL TRADE COMMISSION

[16 CFR Part 302]

CHILDREN'S SLEEPWEAR

Labeling and Recordkeeping Requirements

The Secretary of Commerce issued a "Standard for the Flammability of Children's Sleepwear [DOC FF 3-71]," which was published at 36 F.R. 14063, July 29, 1971, as amended on July 21, 1972 at 37 F.R. 14624 (sometimes hereinafter referred to as Standard), to become effective 12 months after its promulgation applicable to "any product of wearing apparel up to and including size 6x, such as nightgowns, pajamas, or similar or related items, such as robes, intended to be worn primarily for sleeping or activities related to sleeping" (excluding diapers, and underwear) and to "any fabric or related material intended or promoted for use in children's sleepwear." The Commission hereby proposes to issue a rule relating to this Standard providing for labeling of children's sleepwear items and recordkeeping.

The Standard was issued by the Secretary of Commerce pursuant to authority granted by an amendment to the Flammable Fabrics Act, 15 U.S.C. section 1191, et seq. (hereinafter sometimes referred to as Act). Such amendment, "An Act to amend the Flammable Fabrics Act to increase the protection afforded consumers * * *," 81 Stat. 568, et seq., December 14, 1967, permitted flammability standards to be issued by the Secretary of Commerce under rulemaking procedures and, while keeping then existing standards in effect until changed by the Secretary, extended the jurisdiction of the Act from not only wearing apparel and fabric intended for use in wearing apparel, but also to include fabric which may reasonably be expected to be used in wearing apparel, and interior furnishings.

This new authority also empowered the Secretary of Commerce to issue more stringent standards for wearing apparel or categories thereof already subject to the Flammable Fabrics Act of 1954. The Standard herein mentioned falls into this category. In adidtion to providing a new flammability standard for children's sleepwear, the Standard (section .5 thereof) also provides for precautionary labeling of children's sleepwear "in accordance with rules and regulations established by the Federal Trade Commission" (1) to protect items of children's sleepwear from agents or treatments which are known to cause deterioration of their flame resistance, (2) to advise washing of items before wearing when this is apppropriate for flammability reasons, and (3) to warn the public regarding noncomplying items the manufacture of which is not prohibited by the Standard during the first 12 months after its effective date, provided a prescribed warning label is affixed to the garment. These labeling provisions would be effectuated by paragraphs (a) through (j) of proposed new 16 CFR 302.19 [proposed new Rule 19 under the Act], set forth hereinafter.

Paragraphs (k) and (l) of proposed new 16 CFR 302.19 [proposed new Rule 19 under the Act], the recordkeeping requirements, would permit tracing of items of children's sleepwear, and fabrics intended or promoted for use in children's sleepwear, from their constituent raw materials, through the manufacturing process, to the retailer, and vice versa, which would facilitate locating and identifying dangerous children's sleepwear, fabrics, and related materials.

Interested parties may participate in this proceeding by submitting in writing to the Federal Trade Commission, Washington, D.C. 20580, their views, arguments, or other data, including suggested revisions, additions, or deletions, on or before the 9th day of September 1972.

Wherefore, it is proposed that a new section [Rule], § 302.19 [Rule 19 under the Act], be added to Part 302, Subchapter C, Chapter I, Title 16, Code of Federal Regulations, as set forth below:

§ 302.19 Children's sleepwear—labeling and recordkeeping requirements.

(a) For the purposes of this section [Rule] the following definitions apply:

(1) "Children's Sleepwear Standard" or "Standard" means the "Standard for the Flammability of Children's Sleepwear [DOC FF 3-71]," promulgated by the Secretary of Commerce and published July 29, 1971, at 36 F.R. 14063.

(2) "Children's sleepwear" means "children's sleepwear" as defined in the Standard, i.e., "* * * any product of wearing apparel up to and including size 6X, such as nightgowns, pajamas, or similar or related items, such as robes, intended to be worn primarily for sleeping or activities related to sleeping. Diapers and underwear are excluded from this definition."

(3) "Item" means "item" as defined in the Standard, i.e. "* * * any product of children's sleepwear, or any fabric or related material intended or promoted for use in children's sleepwear."

(4) "Marketing or handling" or "marketed or handled" means any one or all of the transactions set forth in section 3 of the Flammable Fabrics Act.

(b) (1) Where any agent or treatment is known to cause deterioration of flame resistance of an item, such item shall be prominently, permanently, conspicuously, and legibly labeled with precautionary care and treatment instructions to protect the item from such agent or treatment.

(2) If the item has been initially tested under .4(d)(4) of the Children's Sleepwear Standard after one washing and drying, it shall be prominently, permanently, conspicuously, and legibly labeled with instructions to wash before wearing.

(c) Any item manufactured, imported, or otherwise marketed or handled which is not in compliance with the Children's Sleepwear Standard and which is manufactured during the 12 months following the effective date of the Standard shall, prior to introduction into commerce, be prominently, permanently, conspicuously and legibly labeled with the following statement: "Flammable (Does Not Meet U.S. Department of Commerce Standard DOC FF 3-71). Should not be worn near sources of fire."

(d) The information required by this section shall be set forth separately from any other information appearing on the label. Nonrequired information, representations, or disclosures, appearing on labels required by this section or elsewhere on the item, shall not interfere with, minimize, detract from, or conflict with the required information.

(e) Samples, swatches, or specimens used to promote or effect the sale of items subject to this standard shall be labeled with the information required by this section, in addition to the label required to be affixed to the item.

[1] Notice of proposed rule making in this matter was published at 37 F.R. 5866, Mar. 22, 1972 (FCC 72-229); an order regarding oral argument was published at 37 F.R. 7531, Apr. 15, 1972 (FCC 72-314).

(f) Where items required to be labeled, in accordance with this section are marketed at retail in packages, and the required label is not readily visible to prospective purchasers, the packages must also be prominently, conspicuously and legibly labeled with the information required by this section.

(g) (1) The cautionary statement provided for in paragraph (c) of this section shall appear in a conspicuous manner in all advertisements of noncomplying items subject to the standard, where the items are being offered for sale through direct mail, telephone solicitation, or under any other circumstances where the consumer, in the ordinary course of dealing is not afforded an opportunity to inspect the label before purchase of the item.

(2) The phrase "Flammable—Read the Label" shall conspicuously appear in all other advertisements of noncomplying items.

(h) Where any fabric or related material intended or promoted for use in children's sleepwear which is sold or intended for sale to the ultimate consumer for the purpose of conversion into children's sleepwear, each bolt, roll, or other unit shall be labeled with the information required by this section. Each piece of fabric or related material sold to the ultimate consumer must be accompanied by a label, as prescribed by this section, which can, by normal household methods, be permanently affixed by the ultimate consumer to any item of children's sleepwear made from such fabric or related material.

(i) No person, other than the ultimate consumer, shall remove, mutilate, or cause or participate in the removal or mutilation of any label required by this section to be affixed to any item.

(j) No person subject to the Flammable Fabrics Act, shall manufacture, import, distribute, or otherwise market or handle any item, including samples, swatches, or specimens used to promote or effect the sale thereof, which is not in compliance with this section.

(k) (1) Every manufacturer, importer, or other person initially introducing any item subject to the standard into commerce, irrespective of whether guaranties are issued relative thereto, shall maintain written records which will relate each of such items to the following:

(i) Date, source, quantity, complete description including fiber content, and identification of all materials used in particular items and the date, composition, and identification of any flame retardant treatments applied thereto, including prototype design items, actual production units and any rejected design units.

(ii) Weaving or knitting specifications, cutting records, or other manufacturing records as applicable to all raw material used, relating this information to the purchase records of such raw materials by lot or stock numbers, letters, symbols or other appropriate designation.

(iii) Samples sufficient for testing of seams, thread, stitches, and trim used in each item and details of construction thereof.

(iv) The date and quantity of each sale or delivery of items subject to the standard, relating each sale or delivery to the records required in (i), (ii), and (iii), hereof by appropriate lot or stock numbers, letters, symbols, numbers, information, marks or other means of identification as will correctly relate particular items to the pertinent records and records to the pertinent items.

(v) All items tested and rejected (prototype, production and rejected) must relate to reports showing test results, details of testing and the name and signature of the person responsible for testing.

(vi) Disposition of all failing or rejected items.

(vii) Details of any testing program or sampling plan engaged in pursuant to the requirements of any standard or regulation issued by the Department of Commerce, or regulation issued by the Federal Trade Commission including, but not limited to, the records hereinbefore referred to in this paragraph. Such records must be sufficient to demonstrate compliance with any such testing program or sampling plan and must relate the same to the actual items produced, marketed or handled.

(viii) Physical samples of all tested items, and, at least three complete and finished samples of each and every untested item subject to the standard which is marketed or handled and written records to relate the samples to the actual items.

(2) The records required in this paragraph must establish a line of continuity from each purchase or acquisition of raw material through processes of manufacture to the sale or delivery of all finished or semifinished articles of children's sleepwear and fabrics or related materials intended or promoted for use in children's sleepwear, and establish a line of continuity from such finished or semifinished items and the sale or delivery thereof through all processes of manufacture to the purchase or acquisition of the raw materials and to the particular raw materials used in each item.

(3) Upon request of the Commission each manufacturer of items subject to the standard shall furnish from its records finished samples of any item manufactured or distributed by said manufacturer, or manufacture and furnish any samples required for testing, identical in all respects to such requested item.

(4) The records required by this paragraph shall be maintained for a period of at least 3 years.

(l) Each person, not subject to paragraph (k) of this section who markets or handles items subject to the standard, shall keep and maintain, for a period of 3 years, records to show the identity and quantity of such items marketed or handled, identity of the source, date of receipt and identity of purchasers (other than ultimate consumers) and date of sale.

[Rule 19]

(Sec. 5, Flammable Fabrics Act, 67 Stat. 112, as amended by 81 Stat. 570, 15 U.S.C. 1194)

By direction of the Commission dated July 25, 1972.

[SEAL] VIRGINIA M. HARDING,
Acting Secretary.

[FR Doc.72-12440 Filed 8-8-72;8:51 am]

INTERSTATE COMMERCE COMMISSION

[49 CFR Part 1048]

[Ex Parte MC 37 (Sub 1a)]

SYRACUSE, N.Y.

Proposed Commercial Zone

AUGUST 4, 1972.

Joint petitioners: Town of Lysander, N.Y., New York State Urban Development Corporation; petitioner's representative: Stephen A. Lefkowitz, New York State Urban Development Corporation, 1345 Avenue of the Americas, New York, NY 10019; James H. Van Wie, 38 Oswego Street, Baldwinsville, NY 10327; Andrew P. Goldstein, 706 Ring Building, 1200 18th Street NW., Washington, DC 20036.

By joint petition filed June 20, 1972, the above-named petitioners request that the Commission institute a rule making proceeding for the purpose of redefining the limits of the Syracuse, N.Y., commercial zone, which were most recently defined on October 15, 1971, in Syracuse, N.Y., Commercial Zone, 114 M.C.C. 141 (49 CFR 1048.20), so as to extend the partial exemption under section 203(b)(8) of the Interstate Commerce Act to include a specifically defined area northwest of the present zone limits.

Petitioners seek amendment of 49 CFR 1048.20(d) so that it reads as follows: Those points in the towns of Van Buren and Lysander, Onondaga County, N.Y., not within 5 miles of the corporate limits of Syracuse, N.Y., and within an area bounded by a line beginning at the intersection of Van Buren Road with the line described in (b) of the present description thence northwesterly along Van Buren Road to its intersection with the cleared right-of-way of Niagara Mohawk Power Co., thence northwesterly and north along said right-of-way to its intersection, between Church Road and Emerick Road, with the cleared right-of-way of New York State Power Authority, thence easterly along said cleared right-of-way to its intersection with the Seneca River, thence south along the Seneca River to its intersection, near Gaskin Road, with the cleared right-of-way of Niagara Mohawk Power Co., thence southwesterly along said cleared right-of-way to its intersection with the eastern limits of the Village of Baldwinsville, thence south along such Village limits to their intersection with a line of railroad presently operated by the Erie Lackawanna Railroad Co., thence southeasterly along said line of railroad to its intersection with the Van Buren-Lysander town line, then southeasterly along the Van Buren-Lysander town line to its intersection with the Van

Buren-Geddes town line, thence southeasterly along the Van Buren-Geddes town line to the line described in (b) above. Petitioners contend that the relief sought in this petition will not have an adverse effect upon the environment.

No oral hearing is contemplated at this time, but anyone wishing to make representations in favor of, or against, the relief sought in the petition may do so by the submission or written data, views, or arguments. An original and 15 copies of such data, views, or arguments shall be filed with the Commission on or before September 20, 1972. A copy of each representation should be served upon petitioners, representatives. Written material or suggestions submitted will be available for public inspection at the offices of the Interstate Commerce Commission, 12th and Constitution, Washington, D.C., during regular business hours.

Notice to the general public of the matter herein under consideration will be given by depositing a copy of this notice in the Office of the Secretary of the Commission for public inspection and by filing a copy thereof with the Director, Office of the Federal Register.

By the Commission.

[SEAL] ROBERT L. OSWALD, *Secretary.*

[FR Doc.72-12468 Filed 8-8-72;8:50 am]

[49 CFR Part 1241]

[No. 35344 (Sub-No. 1)]

ANNUAL REPORTS OF CLASS I RAILROAD COMPANIES

Notice of Proposed Rule Making; Discontinuation

At a General Session of the Interstate Commerce Commission, held at its office in Washington, D.C., on the 17th day of July 1972.

On December 17, 1970, notice of proposed rule making was published in the FEDERAL REGISTER (35 F.R. 19126) advising all interested parties that the Commission had under consideration amendments to the reporting requirements of class I railroad companies (49 CFR 1241.-11) so as to require the submission of a report from an independent accountant attesting to the conformity of certain schedules in the Railroad Annual Report Form A with the relevant accounting requirements of the Commission. After consideration of all relevant matters submitted by the interested parties, the amendments proposed are hereby deemed unnecessary at this time and will not be prescribed.

Wherefore, and good cause appearing:

It is ordered, That the proceeding herein be discontinued.

And it is further ordered, That service of this order shall be made on all carriers by railroad which are affected thereby, to all parties of record herein, and notice of the order shall be given the general public by depositing a copy thereof in the Office of the Secretary of the Commission at Washington, D.C., and by filing a copy of the order with the Director, Office of the Federal Register.

(Authority: Secs. 12, 20, 24 Stat. 383, 386, as amended, 49 U.S.C. 12, 20)

By the Commission.

[SEAL] ROBERT L. OSWALD, *Secretary.*

[FR Doc.72-12469 Filed 8-8-72;8:52 am]

SECURITIES AND EXCHANGE COMMISSION

[17 CFR Parts 230, 239, 240, 249]

[Releases Nos. 5274, 9670]

HOT ISSUES

Meaningful Disclosure

The Securities and Exchange Commission is considering certain changes in its rules, disclosure forms, and registration guides designed to take initial steps to alleviate the problems of hot issues, to provide more meaningful disclosure relating to first-time public offerings, and to integrate further disclosure under the Securities Act of 1933 (the "Act") and the Securities Act of 1934 (the "Exchange Act").

This notice contains a summary of the background, purpose, and general effect of all the proposals to assist in a better understanding of them. However, attention is directed to proposals themselves which are being released today for a more complete understanding of their provisions. Further, each proposal should be considered in the context of, and in conjunction with, the other proposals which the Commission is herewith publishing for comment or has adopted including:

1. The Obligations of Underwriters, Brokers, and Dealers in Distributing and Trading Securities, Particularly Those of New High Risk Ventures (Release No. 33-5275) (37 F.R. 16011).

2. Notice of Proposed Amendments to Registration Form S-1 and S-2 Under the Act [17 CFR 239.11, 239.12] and to Forms 10 and 10-K Under the Exchange Act [17 CFR 249.210, 249.310] to Require More Meaningful Disclosure with Respect to All Companies and Particularly New High Risk Ventures and to Further Integrate the Disclosure Provisions of Those Acts and of Other Proposals (Release No. 33-5276) (37 F.R. 16016).

3. Notice of Adoption of Amendments to Rules 425A and 426 Under the Act [17 CFR 230.425A, 230.426] and Amendments to Registration Guides 5, 6, and 21 to Improve Readability of Prospectuses (Release No. 33-5278) (33 F.R. 16017).

4. Notice of Proposed Amendments to Guides for the Preparation of Registration Statements (Release No. 33-5279) (37 F.R. 16010).

5. Notice of Proposals to Adopt Amendments to Rule 256 of Regulation A Under the Act [17 CFR 230.256] to Provide for Delivery of Offering Circulars Under Certain Circumstances (Release No. 33-5277) (37 F.R. 16008).

6. Notice of Proposed Amendments to Rules 13a-13 and 15d-13 [17 CFR 240.13a-13, 15d-13] Under the Exchange Act to Delete the Exemption for Companies in the Promotional or Development Stage From Filing Quarterly Reports on Form 10-Q and the Proposed Amendments to be Filed by Promotional and Development Companies and Requiring that Certain Registrants Update Budget Information Previously Filed (Release No. 34-9673) (37 F.R. 16023).

7. Adoption of Amendments to Form S-16 (Release No. 5265) (37 F.R. 15933). (See also Release No. 5265A) (37 F.R. 15931).

BACKGROUND AND PURPOSE

One recurring phenomenon which has resulted in disorderly markets and damage to public investors has been periodic hot issue securities markets. In its continuing efforts to assure orderly markets, the Commission ordered a public investigation in the matter of hot issues securities market (hearings) on October 20, 1971.[1] Public hearings began on February 28, 1972, and have been held to date on a continuous basis through June 8, 1972. Testimony has been received from, among others, various representatives of the securities industry, including a number of investment bankers, representatives of State securities commissions, of self-regulatory organizations and of various types of professional venture capital investors. While these hearings were primarily directed toward developing information concerning hot issues, considerable and significant testimony has been received on the general subject of disclosure requirements for first-time public offerings as well as proposals for making disclosure more meaningful to all investors.

Congress, in enacting the Federal securities statutes, created a continuous disclosure system designed to protect investors and to assure the maintenance of fair and honest securities markets. The Commission in administering and implementing the objectives of these statutes has sought to coordinate and integrate this disclosure system. Certain of the subject proposals are a further effort in this direction.

The proposals are designed to improve the securities markets, to increase the availability of material information to investors, and to further implement the fundamental purpose of the Act and the Exchange Act as expressed in their preambles:

> To provide full and fair disclosure of the character of the securities sold in interstate commerce and through the mails, and to prevent fraud in the sale thereof * * *
>
> To prevent inequitable and unfair practices on such [securities] exchanges and [over-the-counter] markets * * *

The Commission recognizes that a major cause of difficulties with hot issues may be found in the imperfections in the methods and patterns of distribution and aftermarket trading rather than the inadequacies of disclosure. These matters will be studied in the hearings as they

[1] File No. 4-148.

progress. Even though the public hearings in this matter are expected to continue for several more months, the Commission believes it appropriate to publish the subject proposals at this time.

SUMMARY OF THE PROPOSALS

I. INITIAL STEPS TO HELP CURTAIL EXCESSES OF HOT ISSUES AND OTHER PROBLEMS RELATING TO OFFERINGS OF SECURITIES OF COMPANIES SEEKING PUBLIC FINANCING FOR THE FIRST TIME

Bona fide public distribution of new offerings. As the National Association of Securities Dealers, Inc. ("NASD") recognizes in its free-riding interpretation of its Rules of Fair Practice: "* * * the failure to make a bona fide public distribution when there is a demand for an issue can be a factor in artificially raising the price." [2] Accordingly, the NASD's interpretation on "Free-Riding and Withholding" forbids the withholding of shares by the underwriter or selling group member for its own account and the sale of shares to certain categories of persons associated with the member and certain persons employed by institutional investors. These are salutory provisions which have been helpful in creating a wider public distribution of securities. However, there is no express duty in the present regulatory framework on underwriters to assure that there will be an "adequate float" in the hands of public investors. Thus, in many instances customers are able to purchase in a distribution any percentage of the total offering they wished without the NASD member or members from whom they purchased having violated the NASD free-riding interpretation.

The development of guidelines for what constitutes a bona fide public offering may have at least two salutory effects in the hot issue context. First, it may partially assure that the demands of more customers for the new issues are satisfied. Second, a sufficient supply of securities in the hands of a large number of initial purchasers may help assure a more orderly aftermarket.

Accordingly, the Commission is transmitting a letter to the NASD requesting that it consider utilizing its rule making or interpretive powers to establish guidelines particularizing what constitutes a bona fide public offering. As part of its request, the Commission has asked the NASD to consider the following factors:

a. Total number of securities to be offered;
b. Price of the securities to be offered;
c. Number of persons to whom securities will be distributed;
d. Size of the allotments, if allotments are necessary;
e. Types of accounts to which securities will be allotted, including discretionary accounts; and
f. The "float" in the hands of the public excluding securities in the hands of affiliates of the issuer.

Underwriters' due diligence. Although the Act does not contain an express provision requiring an underwriter to conduct a due diligence inquiry, in order for an underwriter to avoid liability under section 11 of the Act he must take reasonable steps to verify the disclosure in a registration statement. Reasonableness is determined by the section 11(c) standard which is that of "a prudent man in the management of his own property." The underwriter's obligations and his central role as the intermediary between the issuer and the investing public rightfully cause the public to look to the underwriter for protection against defects in the prospectus and to expect him to verify the accuracy of statements in the registration statement. By associating himself with a proposed offering, an underwriter impliedly represents that he has made such an investigation in accordance with professional standards. Investors properly rely on this added protection which has a direct bearing on their appraisal of the reliability of the representations in the prospectus.

A thorough and intensive underwriter's investigation is especially important in an initial public offering by companies in the developmental stage or those dealing with "high technology" products or processes "Where * * * the issuer seeks funds to finance a new and speculative venture, the underwriter must be particularly careful in verifying the issuer's * * * statements as to its operations and prospects." [3] In such cases, the difficulties encountered in an investigation of technical or scientific matters are often complicated by the fact that the issuer is still engaged in research or development and has not yet subjected the product to the critical evaluation of the marketplace. These difficulties, however, serve only to emphasize the public's need for protection and the corresponding need for a thorough investigation by an underwriter.

Although higher levels of due diligence performance by underwriters are obviously no guarantee against the excesses of hot issues, they may serve as some check on the speculative excesses of such markets. In addition, the underwriter bears an important responsibility in the pricing of securities in an initial public offering. Where no public market price exists, the underwriter must exercise care to assure that the price reflects what he and the issuer reasonably believe, after the underwriter's due diligence investigation, to be the value of the securities giving weight to, among other factors, such fundamentals as the business, operations, and prospects of the issuer and the nature and financial condition of the issuer.

Moreover, the testimony in the hot issue hearings indicates that the underwriters who participate as members of an underwriting group, as distinguished from the managing underwriter, delegate the performance of the investigation of the issuer to the manager, but take few, if any, steps to assure that the manager makes an adequate investigation.[4]

The Commission has previously suggested that the NASD formulate and establish standards relating to conduct by its members of a due diligence investigation.[5] The Commission is reaffirming this suggestions and requesting the NASD to consider formulating and establishing standards to guide the conduct of its members when acting as managing or participating underwriters particularly of securities to be issued by companies seeking public financing for the first time. In this regard, the Commission is requesting the NASD to consider, among others, the following factors:

1. Its member's ability to investigate the issuer and its management and to evaluate such items as its budgets and market penetration plans;
2. Its member's resources in personnel, technical expertise and capital;
3. The extent of employment by its members of third parties to perform some portion of its investigation;
4. The need of a report by the member who is a managing underwriter to the participating underwriters; and
5. The appropriate function of the due diligence meeting.

Suitability of recommendations relating to first public offerings and hot issues. Hot issues result where the price of a new offering of securities rises to a substantial premium over the initial offering price immediately, or very soon after, the securities are first distributed to the public. The tremendous demand for such securities creates pressures upon the brokers or dealers to satisfy such demand, and also results in a sometimes frantic rush by customers to obtain the coveted "hot" stock. There is, therefore, a need for specific suitability standards to be applied to hot issues sold in the aftermarket. However, broadly speaking, high risks may be present in connection with distribution and trading of securities of any company seeking public financing for the first time.

The tailoring of suitability standards for a specific problem has precedence in the experience of the Commission. For example, suitability requirements have been imposed by the Commission in the area of equity funding.[6] Also, the Commission in its recent Market Structure Report had occasion to emphasize the importance of vigorous enforcement of standards of suitability in relationship to the broker-dealer's obligation to provide research in a regime of competitive commission rates. The Commission has also

[2] *CCH NASD Manual*, ¶ 2151.06.

[3] Charles E. Bailey & Co., 35 S.C.S. 33, 41 (1953).

[4] The legislative history of that Act indicates that it is permissible to delegate such acts so long as reliance on the delegate is reasonable in light of all the circumstances.

[5] The NASD has recently proposed an amendment to its Schedule E relating to distribution by its members of their own securities or securities of their affiliates to require that "qualified independent underwriters" who "price" such securities undertake the responsibilities and liabilities of an underwriter under the Act, including those inherent in Section 11.

[6] Rule 15c2-5 under the Exchange Act. [17 C.F.R. 240.15c2-5]

often discussed the problem of unsuitable recommendations for speculative new issues of securities in connection with proceedings relating to the conduct of brokers and dealers registered under the Exchange Act.

It is generally recognized that purchasing or trading in the securities of companies seeking public financing for the first time involves substantial risk of significant losses. Such risks are exacerbated when the security in question becomes a "hot issue" and is purchased in the trading market. Accordingly, consideration should be given to establishing standards to govern the suitability requirements which apply to transactions in securities of companies seeking public financing for the first time, with particular emphasis on those which become "hot" issues and are purchased in the trading market. Since the promulgation of suitability standards has been a significant responsibility of the self-regulatory organizations, the Commission has requested that the NASD and the national stock exchanges take into account the following factors and consider whether revisions of suitability requirements or interpretations applicable to their members are necessary:

1. The investment objectives, financial situation, and needs of the customer as well as the customer's experience and sophistication in securities transaction.

2. The proper documentation necessary to assure compliance with such suitability requirements, including the member's written procedures to be followed by its associated persons.

Discretionary accounts. Testimony in the hot issues investigation indicates that some of the imperfections in the aftermarket trading may be the result of the use of discretionary accounts by the underwriters of securities of new businesses. Discretionary accounts may be used in either of two ways to affect aftermarket prices. They can be used to restrict supply and thus drive up the price. On the other hand, trading in discretionary accounts can be used to generate the appearance of genuine market interest in a security. As an initial step in affecting oversight of the use of discretionary accounts, it is proposed that registrants not subject to the reporting requirements of sections 13(a) or 15(d) of the Exchange Act be required to disclose whether principal underwriters (those in privity of contract with the issuer) intend to confirm sales to discretionary accounts and an estimate of the approximate percentage of the offering which will be so confirmed. This information should be contained in any preliminary prospectus which is distributed, since it would be material information for investors relating to the supply of the securities to be offered which may actually be available to the public.

Prompt delivery of certificates. The investigative record indicates that one of the imperfections affecting aftermarket trading in new issues is the occasional failure of issuers to furnish securities in such denominations and registered in such manner as to permit adequate and prompt delivery to each purchaser. Accordingly, one of the proposals is that nonreporting registrants formally undertake in registration statements filed on Forms S–1 and S–2 that they will deliver the certificates to the underwriter at the closing for prompt delivery to customers.

II. Improved Disclosure

Numerous witnesses including venture capitalists and investment bankers have testified as to the advisability of improving disclosure about the nature of the market for the product or services of the venture as well as information relating to the competitive status of a new business. In addition, the hot issue hearings have shown that one of the most important items of disclosure to a venture capitalist relates to the character and experience of the management. Moreover, the record in the investigation to date indicates that budgets are given significant weight by venture capitalists and investment bankers in determining whether to invest in or underwrite the securities of a new company. Accordingly, changes designed to achieve more meaningful disclosure with respect to these matters are proposed in Forms S–1, S–2, 10, 10–K, and 10–Q.

Budgets. The Commission is presently studying the question of inclusion of or requiring forecasts of sales or earnings or other financial data in registration statements or reports required by law to be filed with the Commission. The Commission has not at this time made any decisions or reached any conclusions in this regard. However, the Commission believes that meaningful distinctions can be drawn between forecasting of sales and earnings and disclosure of budgets.

In the case of companies who are filing for the first time on Forms S–1, S–2, or 10, which (including predecessors) have not conducted bona fide operations for a period of three or more fiscal years prior to the filing of the registration statement, it is proposed that they be required to describe in such registration statement their plan of operations, if available, over a period covering the balance of the current fiscal year plus in the case of Forms S–1 and S–2, the first 6 months of the next fiscal year where more than half of the current fiscal year has transpired. This description should include such matters as a budget, if available, of anticipated cash resources and cash expenditures which would present on a quarterly basis the principal categories of expenses expected to be incurred for each period. These items would include some detail concerning expenditures for plant equipment, research, and development, production, distribution, marketing, general and administrative, and interest. Appropriate caveats cautioning the investor as to the uncertainties of these estimates would have to be set forth including the assumptions on which the estimates are based. Furthermore, the expense items in the budget would be related to the use of proceeds from a 1933 Act offering and in those cases where a material amount of the proceeds will be devoted to working capital, information would be included in the budget as to the amounts needed for operating cash, accounts receivable, investment and accounts payable.

Also, the Commission proposes to amend Forms 10–K and 10–Q to require material changes and updating of information on budgets for a period of 2 fiscal years.

The description of a company's plan of operation would also include a description of product research anticipated, expected acquisition of plant and equipment, and expected changes in numbers of employees in various corporate departments.

The Commission is considering as an alternative to the foregoing requiring a statement in narrative form in prospectuses of companies filing registration statements for the first time on Forms S–1 and S–2 which would indicate the management's opinion as to the period of time that the proceeds from the offering would satisfy cash requirements and whether in the next 6 months it would be necessary to raise additional funds to meet the expenditures required for operating the business. The basis for the management's opinion would be required to be set forth with specificity and estimated expenditures and sources of cash would be required to be identified. In addition, if the narrative statement is based on a budget, such budget would be required to be set forth in Part II of the registration statement, but not in the prospectus.

Follow-up disclosure would be required in narrative form in Forms 10–K and 10–Q covering the applicable periods to indicate the management's opinion as to whether it would be able to generate the necessary funds to operate the business as planned for the next quarter or fiscal year, as the case may be.

The Commission invites and will consider comments on both alternatives, and, in making its final determination as to adoption may select one of the two, or modify one or the other of the alternatives.

Market studies. In the case of any offering where the corporation proposes to enter, or has entered, a new line of business, or has recently introduced or proposes to introduce a new product, involving the expenditure of a material amount of the company's resources, it is proposed that Forms S–1, S–2, 10, and 10–K identify the market studies which have been performed and include a description of such studies. Disclosures would also be required as to the status of product development, e.g., whether only in the planning stage, whether prototypes exist, the degree to which product design has progressed, or whether further engineering is necessary.

Competition. It is proposed that all filings on Forms S–1, S–2, 10, and 10–K, in connection with describing competitive conditions in the industry, include information as to the principal bases of competition in their industry such as price, service, warranty, and product performance. Where one or a small number

of competitors is dominant in the industry, it is proposed that they be identified and their dominance be explained. Moreover, where material to an understanding of the company's business, practices, and conditions relative to working capital should be explained. For example, it should be disclosed, if such is the case, that the company is required to carry significant amounts of inventory to meet rapid delivery requirements of customers or that the company may experience negative cash flow because of extended payment terms to customers.

Management. In connection with the description of management, it is proposed, in the case of securities offerings of businesses which are not reporting companies under section 13(a) or section 15(d) of the 1934 Act, that adequate disclosure on Forms S–1, S–2, and 10 be made of the experience and background of persons such as production managers, sales managers, and research scientists who, although not executive officers, have made, or are expected to make, significant contributions to the company particularly where the operations are small. It is also proposed for all filings on such forms to expand the present disclosure provisions to require, where a director or officer has been employed with the company for less than 5 years, that an explanation as to the nature of the responsibilities of that individual in prior positions be included. This kind of disclosure will relate to the level of his professional competence. Moreover, the proposed changes would require a 10-year litigation history of directors and executive officers for all filings on Forms S–1, S–2, 10, and 10–K, similar to that now required on Forms 10 and 10–K for directors only.

Disclosure of estimated prices. Testimony during the investigation on hot issues, particularly that given by representatives of underwriting firms and venture capital organizations, on the matter of pricing of new issues has revealed both the necessity and feasibility of having pricing information disclosed in preliminary prospectuses distributed in connection with public offerings of securities by issuers which are not subject to the reporting provisions of sections 13(a) or 15(d) of the Exchange Act. Such information should enable investors to make more timely judgments concerning the advisability of investing in the new issue.

Accordingly, the Commission is proposing an amendment to Guide 5 of the guides for preparation and filing of registration statements which would require such nonreporting issuers to disclose on the cover page of the preliminary prospectus the bona fide estimates of the maximum offering price and maximum number of shares or other units of securities to be offered, or the bona fide estimate of the principal amount of debt securities to be offered, and appropriate cross-reference to disclosure elsewhere in the prospectus of the factors considered in arriving at such estimate. Disclosure would also be required in the prospectus, with appropriate cross-reference thereto on the cover page, as to the aggregate value of the outstanding securities of the registrant based upon such estimate and the relationship of such aggregate value to the earnings, assets, or other criteria of value with respect to the registrant.

Other proposals. The Commission is proposing that prospectuses include a summary of their contents, including a summary of financial statistics immediately following the cover page. A second proposal relates to due diligence standards and would amend Guide 16 to require disclosure in certain cases of new or speculative issues in supplementary information to the staff of steps taken by the underwriter to verify the disclosure in the prospectus. A third proposal would amend Guide 5 which would indicate that stock phrases relating to such subjects as, for example, the company's chances of success or competition are not meaningful disclosure and should be deleted or amplified.

Form 10–Q would be amended to include reports from companies in promotional and development stages.

Adoption of amendments to guides for preparation and filing of registration statement. Broadly speaking, Guide 5 has been amended to clean up the cover page of the prospectus with appropriate cross-reference to disclosure elsewhere in the prospectus. Guide 6 has been amended to require graphic presentation of dilution of investors' equity. Guide 21 has been revised to require that the use of proceeds be shown in graphic form. Rules 425A and 426 and Guide 5 have been amended to remove from the cover page of the prospectus certain information heretofore required or permitted to be set forth thereon. These amendments were proposed in Release No. 33–5164 in connection with continued efforts by the Commission to make prospectuses more readable. The proposals, as adopted, reflect a number of the suggestions and comments made in reference to that release.

III. FURTHER INTEGRATION OF DISCLOSURE REQUIREMENTS OF THE SECURITIES ACT OF 1933 AND SECURITIES EXCHANGE ACT OF 1934

The Commission is also proposing amendments to Forms S–1, S–2, 10, and 10–K to provide for further integration of the disclosure requirements of the Act and the Exchange Act by providing for increased uniformity in their disclosure requirements and to rectify certain anomalies in these forms. Changes in Forms S–1 and S–2 are proposed to require certain specific information as to backlog of orders and research expenditures which are modeled after Forms 10 and 10–K. The instructions in S–2 as to description of business have been made more detailed and are modeled after Forms 10, 10–K, and S–1. Other changes have been made which are more fully discussed in the subject proposals.

In addition, the Commission recently adopted amendments to Form S–16 to liberalize the provision of that form with respect to the condition under which it may be used, so that it may be used by a larger number of reporting companies and to provide some additional disclosure in the prospectus required by the form.

Regulation A offerings. The Commission's hot issues hearings have confirmed that for certain purposes, particularly those relating to dissemination of the disclosure to investors, there should be no distinction in this regard between offerings of new ventures pursuant to Regulation A and offerings of new ventures pursuant to the registration provisions of the Act.

Accordingly, the Commission is considering adopting amendments to Rule 256 of Regulation A applying to issuers which are not subject to the reporting provisions of section 13(a) or 15(d) of the Exchange Act which would require delivery of an offering circular complying with Regulation A to purchasers 48 hours in advance of the mailing of a confirmation of sale, and delivery of such an offering circular by dealers for a period of 90 days after the commencement of the offering.

By the Commission.

[SEAL] RONALD F. HUNT, *Secretary.*

JULY 26, 1972.

[FR Doc.72-12443 Filed 8-8-72;8:48 am]

[17 CFR Part 230]

[Release No. 33-5277]

OFFERING CIRCULARS

Delivery to Prospective Purchasers

Notice is hereby given that the Securities and Exchange Commission is considering amendments to Rule 256 of Regulation A (17 CFR 230.256) under section 3(b) of the Securities Act of 1933, as amended (Act). These proposals are part of a series of proposals in the program of the Commission for improvement in the content and dissemination of disclosure documents required to be delivered in connection with public offerings of securities of new ventures (see Securities Act Releases Nos. 5275, 5276, 5278, and 5279) (37 F.R. 16011, 16016, 15985, 16010).

The Commission's Public Investigation in the Matter of the Hot Issues Securities Markets has indicated that for certain purposes, particularly those relating to dissemination and disclosure to investors, there should be no distinction between offerings of new ventures pursuant to Regulation A and offerings of new ventures pursuant to the registration provisions of the Act.[1]

Accordingly, the Commission is proposing amendments to Rule 256 of Regulation A which would require delivery of an offering circular complying with Regulation A to prospective purchasers 48

[1] Transcript in the Matter of the Hot Issues Securities Market (Investigation) File No. 4–148, pp. 163–164, 621, and 622, 2054 to 2058. See also, Report of the Special Study of the Securities Markets (Report), Part I, pages 487 to 599, particularly pp. 488 and 489. (H. Doc. 95—88th Cong., 1st Sess., Apr. 3, 1963)

hours in advance of the mailing of a confirmation of sale, and delivery of such offering circular by dealers for a period of 90 days after the commencement of the offering. This would not apply to issuers which are subject to the reporting provisions of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (Exchange Act). The proposed amendments are summarized below. However, reference is made to the text of the proposals accompanying this release which should be reviewed for a complete understanding of these proposals.

The Commission is considering a proposed amendment to subparagraph (a)(2) of Rule 256 to provide for delivery of the offering circular to prospective purchasers 48 hours in advance of the mailing of a confirmation of sale.[2] Rule 256(a)(2) currently requires delivery of an offering circular prior to or with the confirmation of sale. Regulation A does not provide for the use of a preliminary offering circular analogous to a preliminary prospectus complying with Rule 433(a) (17 CFR 230.433a) under the Act ("red herring").

The Commission's authority to accelerate the effective date of a registration statement pursuant to section 8(a) of the Act requires the Commission to have "due regard to the adequacy of the information respecting the issuer theretofore available to the public * * *." The Commission has indicated that, as a condition of acceleration of a registration statement, preliminary prospectuses should be furnished to persons to whom an underwriter for an issuer not subject to section 13 or 15(d) of the Exchange Act expects to confirm sales at least 48 hours in advance of mailing of confirmations.[3] The Commission believes that this requirement should apply equally with respect to Regulation A offerings by issuers not subject to filing periodic reports pursuant to section 13(a) or 15(d) of the Exchange Act.[4]

The record to date in the investigation supports the conclusion of the special study that "substantial redistribution of new issues occurred in the aftermarket through trading firms."[5] Accordingly, the Commission is considering a proposed new paragraph (g) to Rule 256 which would require dealers trading in securities offered under Regulation A by issuers not subject to section 13(a) or 15(d) of the Exchange Act to deliver an offering circular to any purchaser to whom the dealer had not previously delivered an offering circular for a period of 90 days after the commencement of the offering.[6] Failure of a dealer to comply with this provision would not affect the exemption available to the issuer.

The Commission also is considering a new paragraph, 256(h), which would require issuers or underwriters to provide reasonable quantities of the offering circular to dealers on request.

The Commission believes that the same consideration which led the Congress, in connection with the 1964 amendments to the Securities Acts, to adopt the requirement in section 4(3) for dealers to deliver prospectuses during a period of 90 days after the effective date of a registration statement relating to securities of issuers which had not previously sold securities pursuant to an effective registration statement, should apply to delivery of offering circulars by dealers. The Senate report on the 1964 amendments to the Federal securities laws quotes the special study's report Part 1, at page 556:

> Persons who bought in the aftermarket often were less sophisticated and more susceptible to the allure of publicity and rumor about "hot issues." Those persons who frequently purchased at premium prices, probably needed the benefits of informaton contained in the prospectuses more than the original distributees.

and then states:

> Although the proposed amendment to section 4(1), which was recommended by the special study, will not provide a cureall for the "hot issues" problem, it will make information available to investors during the course of active solicitation and trading of new issues in the aftermarket and assist in the establishment of more orderly trading in such securities.[7]

The special study also observed that while the requirements with respect to delivery of preliminary prospectuses "guarantees that original purchasers of registered securities receive the preliminary prospectuses, it does not insure delivery of any prospectuses to purchasers in the aftermarket who may be in greater need of the disclosure than are original distributees."[8]

Section 230.256 of Chapter II of Title 17 of the Code of Federal Regulations would be amended to read as indicated below. Section 230.256(a)(2) would be amended, and new paragraphs (g) and (h) added as set forth below;

§ 230.256 Filing and use of offering circular.

(a) * * *

(2) No securities of such issuer shall be sold under this regulation unless such an offering circular is furnished to the person to whom the securities are to be sold at least 48 hours prior to the mailing of the confirmation of sale to such person, or is sent to such person under such circumstances that it would normally be received by him. Forty-eight hours prior to his receipt of confirmation of the sale, unless the issuer is required to file reports pursuant to section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, in which case the offering circular may be furnished with or prior to the confirmation of sale.

* * * * *

(g) Sales by a dealer (including an underwriter no longer acting as an underwriter in respect of the security involved in such transaction) of securities of an issuer not subject to the provisions of sections 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, offered pursuant to this regulation and taking place prior to the expiration of 90 days after the first date upon which the securities were bona fide offered to the public, shall not be exempt pursuant to this regulation unless the dealer furnishes a copy of the then current offering circular to the purchaser prior to or with the purchaser's receipt of the confirmation of sale unless the dealer has previously mailed or delivered such offering circular to such purchaser. The provisions of this subparagraph shall not otherwise affect the availability of the exemption, including the aggregate amount of securities exempted, pursuant to Rule 254.

(h) The issuer or, if there is an underwriter, the underwriter shall provide reasonable quantities of copies of the offering circular to any dealer on request prior to the expiration of 90 days after the first date upon which securities of such issuer offered pursuant to this regulation were bona fide offered to the public.

The Commission has taken the foregoing action pursuant to the Securities Act of 1933, particularly sections 3(b) and 19(a) thereof. All interested persons are invited to submit their views and comments on the above proposals, in

---

[2] The report at page 552 recommended that the Commission should permit clearance of a Regulation A filing with respect to any first issue of common stock only on the condition that an offering circular substantially in final form be delivered to each person to whom original allotments are expected to be made at least 48 hours before sales are made.

[3] See Securities Release No. 4968 (34 F.R. 7235) and Rule 460 under the Act (17 CFR 230.460).

[4] The investigation has revealed that certain issuers and underwriters presently are providing copies of offerings circulars to prospective purchasers of speculative securities in advance of confirming sales to such persons in order to avoid possible violations of the antifraud provisions of the Act and the consequent loss of the exemption. The special study in Part I of its report at p. 548 observed that the requirement of distributing prospectuses to each customer to whom underwriters expect to confirm "has the desirable effect of insuring dissemination to investors of information in the statutory prospectus prior to the time investors were committed to their purchase." The report also observed that there was no corresponding requirement under Regulation A and recommended such a requirement be adopted.

[5] Report, Part I p. 50. "It [the distribution process] is a process without finite boundries and often includes one or more redistributions by which portions of the issue are repurchased from speculative buyers or so called 'weak hands,' with the view to replacement with permanent investors." Oklahoma-Texas Trust, 2 S.E.C. 764, 769 (1939).

[6] The report, Part 1 at p. 558 recommends extension of the period during which dealers are required to deliver prospectuses to 90 days for "first issues of common stock * * *" and the application of that requirement to offering circulars under Regulation A. Such a recommendation is also supported by persons who have testified in the Matter of the Hot Issues Securities Markets. See pp. 440 and 441; pp. 621 and 622 and p. 2058.

[7] S. Rept. No. 379, 88th Congress, first sess. 28 (July 24, 1963).

[8] Report, Part 1, pp. 548 and 549.

writing to Richard H. Rowe, Assistant Director, Division of Corporation Finance, Securities and Exchange Commission, on or before September 15, 1972. All communications with respect to the proposed amendments should refer to File No. S7–448. All such comments will be available for public inspection.

(Secs. 3(b), 19(a), 48 Stat. 75, 85, sec. 209, 48 Stat. 908, 59 Stat. 167, 84 Stat. 1480, 15 U.S.C. 77c(b), 77s(a))

By the Commission.

[SEAL] RONALD F. HUNT, *Secretary.*

JULY 26, 1972.

[FR Doc.72-12448 Filed 8-8-72;8:48 am]

[17 CFR Part 231]

[Release No. 33-5279]

REGISTRATION STATEMENTS

Guides for Preparation and Filing

Notice is hereby given that the Securities and Exchange Commission has under consideration certain amendments to the Guides for the Preparation and Filing of Registration Statements (Released 33-4936) (33 F.R. 18617).

The first proposal which is made in connection with the Commission's continuing efforts to improve the readability of prospectuses requires that prospectuses contained in a registration statement on Form S–1 or S–2 (17 CFR 239.11, 239.12) include a summary of the contents of the prospectuses including summary financial statistics immediately following the cover page on registration statements on Form S–1 only.

The second proposal relates to the due diligence inquiry conducted by underwriters of new issues and other high-risk offerings and is the result of information developed in the current Public Investigation of the Hot Issues Securities Markets[1] and from the Special Study of Securities Markets which disclosed that many new and inexperienced underwriters had failed to make reasonable investigations to insure that registration statements have been properly prepared.[2] The proposal indicates that the staff may request that the underwriter provide supplemental information to explain the steps taken to verify the information in the prospectus and that the staff will consider such information in determining whether additional disclosure would be necessary in the prospectus. Securities Act Release No. 5275 (37 F.R. 16011) which has been issued today contains an extensive discussion of the obligations of underwriters to make such investigations.

The third proposal is an amendment to Guide 5, Preparation of Prospectuses, which would indicate that stock phrases or "boiler plate" relating to such subjects as the company's chances of success or competition or the status of material litigation do not provide meaningful disclosure. Such statements, therefore, should be accompanied by a brief explanation of the basis for the statement and the effect such conditions may have on the business of the registrant.

The fourth proposal relates to a further amendment to Guide 5 to require disclosure in preliminary prospectuses of the estimated maximum offering price with respect to first time public offerings and the aggregate value placed on the outstanding shares of the issuer as a result thereof with appropriate caveats as to the reliability of such estimates. Such estimates, however, need not be identical to the estimated maximum offering price required to be stated for purposes of determining the filing fee pursuant to section 6 of the Securities Act of 1933.[3]

The Commission's Public Investigation in the Matter of the Hot Issues Securities Markets has indicated both the necessity and feasibility of having price information disclosed in preliminary prospectuses distributed in connection with public offerings of securities by issuers which are not subject to the reporting provisions of sections 13(a) or 15(d) of the Securities Exchange Act of 1934 (Exchange Act).[4] Moreover, the Commission's authority to accelerate the effective date of a registration statement pursuant to section 8(a) of the Act requires the Commission to have "due regard to the adequacy of information respecting the issuer theretofore available to the public * * *." The Commission has indicated that, as a condition of acceleration of a registration statement, preliminary prospectuses should be furnished to persons to whom an underwriter for an issuer not subject to section 13(a) or 15(d) of the Exchange Act expects to confirm sales at least 48 hours in advance of mailing of confirmations.[5] The Special Study of Securities Markets (Special Study) in Part I of its report at page 548 observed that the requirement of distributing prospectuses to each customer to whom underwriters expect to confirm "has the desirable effect of insuring dissemination to investors of information in the statutory prospectus prior to the effective date and prior to the time that investors are committed to their purchases." The Commission believes that customers to whom underwriters expect to confirm should have information with respect to the bona fide estimates of maximum offering price and maximum number of shares or other units of securities, or the bona fide estimates of the principal amount of debt securities to be offered.

The Commission also has observed that the pricing of securities to be offered by new high-risk ventures often results in an aggregate value being placed on the outstanding shares of the issuer which bears little or no relationship to the issuer's assets, earnings, or other criteria of value. The Commission also calls to the attention of registrants and those persons who assist them in preparing registration statements that the registration forms in general use for new companies require disclosure of the method by which the price of the offering is to be determined.[6] Registration statements often state that "the initial public offering price has been arbitrarily determined by the company * * *." or that "such price has been established by negotiations between the underwriter and the registrant." Such barebones disclosure should be amplified by disclosure of factors which were considered. For example, some explanation may be required as to the differences in prices paid by promoters and private investors and the public offering price and whether a higher price to the public is based on subsequent financial progress or business developments.

The text of the proposed guides is as follows:

I. Guide 59. *Summary of disclosure in the prospectus.* Immediately following the cover page of the prospectus, there shall be set forth a short summary of the contents of the prospectus contained in registration statements on Form S–1 or S–2 which highlights the salient features of the offering with appropriate cross-references to more detailed discussions elsewhere in the prospectus. Generally, it should include the following items:

(a) A brief description of the company's business;

(b) Where appropriate, a brief statement of the material risks connected with the offering such as the company's inability to obtain necessary additional financing or the possibility that its product may not be marketed successfully;

(c) If the company has not previously filed a registration statement under the Securities Act or under the Securities Exchange Act of 1934 containing such information, a brief description of the company's plan of operation for the remainder of the fiscal year and for an additional 6 months where appropriate;

(d) A brief statement of the use of the proceeds of the offering; and

(e) On Form S–1, summary financial statistics in registration statements, including a concise statement of any material qualifications in the auditor's opinion. This should be presented in the following form (where necessary to indicate an adverse trend, corresponding information should also be provided for the previous fiscal year or years):

[1] In the Matter of the Hot Issues Securities Market, File No. 4–148.

[2] Report of Special Study of Securities Markets of the Securities and Exchange Commission, Part 1, at 514 [H. Doc. 95–88th Cong. 1st Sess. April 3, 1963].

[3] Reference is made to Rule 457(a) 17 CFR 230.457a under the Securities Act which requires that the computation of the filing fee be based on a "bona fide estimate of the maximum offering price." For purposes of Rule 457(a) and the proposed amendment to Guide 5, issuers and underwriters are reminded that although the two estimates need not be the same, the estimates used in both instances must be bona fide.

[4] See Transcript in the Matter of the Hot Issues Securities Markets (Investigation) File No. 4–148, pp. 789 and 790, 1219 and 1220, 1416, 1583 and 1584, 1625, 1628, 1676, 1685, 1737, 1883, 1970, 1979, and 1980, 2006, 2048, 2103, 2193 and 2194 and 2235.

[5] See, Securities Act Release No. 4968 (April 24, 1968) and Rule 460 under the Act 34 F.R. 7235.

[6] Form S–1, Item 1, Distribution Spread, Instruction 2; and Form S–2, Item 1, Distribution Spread, Instruction 2.

FINANCIAL STATISTICS (SEE PP. ..... AND .....)

	Quarter ended		
	Dec. 31, 1971	Mar. 31, 1971	Mar. 31, 1972
Income statement:			
Net sales	$	$	$
Net income before extraordinary items			
Net income			
Balance sheet (at end of period):			
Working capital			
Total assets			
Total assets less deferred research and development charges and excess of cost of assets acquired over book value			
Total indebtedness			
Total shareholders' equity (net assets)			
Per share [1]:			
Income per common share before extraordinary items			
Extraordinary items			
Net income per comon share (at end of period)			
Net income per share on a fully diluted basis			

[1] Number of shares of common stock outstanding during each period was ..... (As adjusted to given effect to stock dividends or stock splits).

II. Guide 16. *Underwriters' experience and due diligence inquiry.* Guide No. 16 would be amended by adding thereto, the following paragraph:

Where a new or speculative issue of securities is being registered, the Division may request the underwriter of the issue to explain supplementally the steps taken to verify the disclosure in the prospectus and it will take into consideration such information in determining what action is to be taken in processing the registration statement, including whether additional disclosure is required.

III. Guide 5. *Preparation of prospectuses.* Guide No. 5 would be amended by adding thereto, the following paragraphs:

Stock phrases such as "There can be no assurance that the registrant will succeed in developing a commercial market for its product," or "A substantial number of companies that are engaged in the same business as the registrant have greater financial resources, experience, and are better known to the public than registrant," or relating to the status of the material litigation such as "In the opinion of management the unfavorable determination of any pending litigation would have no material effect of the business or financial condition of the company," or "Based on the advice of its counsel, he believes that it has meritorious defenses to those actions," do not provide meaningful disclosure unless accompanied by a brief explanation of the basis for such statements or the effect such conditions may have on the business of the registrant.

* * * * *

In addition, for issuers not subject to the reporting provisions of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, the disclosure on the cover page of the preliminary prospectus distributed should include a bona fide estimate of the maximum offering price and maximum number of shares or other units of securities to be offered, or a bona fide estimate of the principal amount of debt securities to be offered. Such statements as "The initial public offering price has been determined through negotiations between the underwriter and the company," do not provide meaningful disclosure. Accordingly, such "barebones" disclosure should be amplified to disclose the various factors which were considered in determining the price for the securities to be offered. There also should be included, with appropriate cross-reference to disclosure elsewhere in the prospectus, a statement of the aggregate value placed on the outstanding securities of the registrant as a result of such estimated price with appropriate caveats as to the reliability of such estimates. Such disclosure also should include, if true, reference to the fact that such value may bear no relationship to the assets, earnings, or other criteria of value applicable to the registrant.

The Commission has taken the foregoing action pursuant to the Securities Act of 1933, particularly sections 7, 10, and 19(a) thereof and Schedule A thereunder. All interested persons are invited to submit their views and comments on the above proposals, in writing to Richard H. Rowe, Assistant Director, Division of Corporation Finance, Securities and Exchange Commission, Washington, D.C. 20549, on or before September 15, 1972. All communication with respect to the proposed amendment should refer to File No. S7-447. All such comments will be considered available for public inspection.

(Secs. 7, 10, 19(a), 48 Stat. 78, 81, 85, secs. 205, 209, 48 Stat. 906, 908, sec. 8, 68 Stat. 685, 15 U.S.C. 77g, 77j, 77s)

By the Commission.

[SEAL] RONALD F. HUNT, *Secretary.*

JULY 26, 1972.

[FR Doc.72-12447 Filed 8-8-72;8:46 am]

[17 CFR Parts 231, 241]

[Releases Nos. 33-5275, 34-9671]

NEW HIGH RISK VENTURES

Obligations of Underwriters, Brokers and Dealers

The Securities and Exchange Commission (Commission) today announced that, in its opinion, developments in the securities markets require specific steps to be taken in the public interest. This release discusses certain of the obligations of brokers, dealers, and underwriters under the Federal securities laws in distributing and trading securities, particularly those of new high risk ventures with respect to which there is little information available to the public prior to the distribution. This release places the investment banking community on notice as to the need to diligently investigate the disclosure provided to the public in connection with the securities they are distributing; to assure that the recommendations they make concerning such securities are suitable to their customers; and to make a bona fide public offering of the securities so that trading may develop with an adequate supply of such securities. This release also sets forth factors which should be considered in these areas by the industry. In addition, as indicated below, the Commission has required the self-regulatory organizations to develop new or improved standards in these areas.

These requests are made at this time as a result of the Commission's public investigation in the matter of the Hot Issues Securities Markets.[1] Many of the proposals, however, are applicable under other market conditions, although the problems to which they relate may be magnified in a hot issue market (i.e. a market where securities trade in the after-market at substantial premiums). Based on the information reported to it by its staff, the Commission believes that certain recently developing trends in the securities markets may be the forerunners of a developing hot issue securities market. During the 12-months ended June 30, 1972, 1,371 registration statements were filed under the Securities Act of 1933 (Act) by issuers which registered securities under that Act for the first time or approximately 37 percent of all registration statements filed during that 12-month period. This can be compared to 850 registration statements filed in the 12-months ended June 30, 1971, by such companies, or approximately 28 percent of all registration statements filed during that period. In addition, the Division of Corporation Finance has reported to the Commission that while most registration statements are filed by companies with a significant history of earnings, the number of registration statements filed by new ventures which seem to have little economic viability appears to be increasing, and that a number of new issues are being traded at immediate and substantial premium prices in the after-market.

While these developments as yet have not reached the point where the state of the new issues market is as volatile as it was during 1968 and 1969 or during 1961 and 1962, the Commission believes that it should consider for the protection of investors certain proposals to attempt to curtail the creation of such a volatile market.

In anticipation of the development of these trends, the Commission ordered a public investigation in the matter of the Hot Issues Securities Markets (Investigation) on October 20, 1971.[2] Public hearings began on February 28, 1972, and have been held on a continuous basis through June 8, 1972. Testimony has been received from, among others, various representatives of the securities industry, including self-regulatory organizations, a number of investment bankers, representatives of State securities commissions, and various types of professional venture capital investors. Although the public hearings in this matter are expected to continue for several more months, the Commission believes that certain steps should be taken now to curtail the possible development of a hot issue market.

The Commission believes that the record developed in the hearing to date indicates that one of the major problems in a hot issue market is the distribution to the public of securities of new ventures

[1] File No. 4-143.

[2] Administrative Proceeding File No. 4-143 (Investigation).

which have little or no actual economic viability.[3] Securities of these companies may be traded at substantial premiums over their initial offering prices over the short term, but after a few years or even months their prices may plummet to levels substantially below their initial offering price.[4]

The philosophy of the Federal securities laws has always been one of disclosure,[5] and, therefore, the Commission would not place itself in the position of exercising its judgment as to the merits of particular issues of securities. However, the Commission does believe that its present disclosure rules, regulations, and forms can be improved to provide more effective disclosure of the economic realities relating to the business and finances of new high risk ventures.[6] As a distinguished Federal District Court Judge has observed: "The prospective purchaser of a new issue of securities is entitled to know what the deal is all about."[7]

The Commission also believes, based on the record in the hearings to date, that most underwriters meet their obligations under the Federal securities laws. However, some underwriters and brokers and dealers during the hot issues markets may not be conducting reasonable investigations ("due diligence inquiries") to determine if the disclosure contained in registration statements and offering circulars reflects the true economic realities with respect to the business of new high risk ventures. This may exist under other market conditions, but a hot issue market would appear to exacerbate it. Although the Commission is proposing new disclosure requirements and amendments to its existing disclosure requirements to provide improved disclosure in this regard, the protection of investors will still require investigation and verification by underwriters of such disclosure. Also, the Commission believes that the existing standards relating to obligations of underwriters to the investing public to make bona fide public offerings to new issues of securities and of underwriters, brokers, and dealers to make recommendations in distributing and trading in such securities which are suitable to their customers' financial circumstances and investment needs should improve in the interest of the protection of investors. Accordingly, the Commission is announcing the following proposals and taking the following steps:

1. A proposed program for disclosure relating to new ventures, set forth in a series of separate releases, including:

a. Revision of its registration forms to require disclosure relating to budgets and more meaningful disclosure of the business, finances, intended uses of proceeds of offerings, product markets, competitive factors and investment risks of new ventures. The Commission in the same release is also proposing amendments to integrate further the disclosure in various registration and reporting forms under the Act and the Securities Exchange Act of 1934 (Exchange Act) by making the requirements of such forms more uniform. (See Securities Release No. 5276) (37 F.R. 16016).

b. Guidelines for preparation and registration statements and prospectuses which would simplify and make more readable the disclosure in prospectuses relating to offerings by new high risk ventures and which would provide meaningful summaries of the proposed business and financial operations of new ventures and of information relating to the pricing of new issues of securities registered under the Act (see Securities Release No. 5279) (37 F.R. 16010). The Commission also announces the adoption of certain previously published guidelines for making prospectuses more readable (Securities Act Release No. 5278) (37 F.R. 15985).

c. Dissemination of offering circulars filed pursuant to Regulation A (Securities Act Release No. 5277) (37 F.R. 16008).

d. Undertakings designed to achieve delivery of securities certificates to investors within a reasonable time after the offering is completed (Securities Act Release No. 5276) (37 F.R. 16016).

2. Since disclosure can be efficacious only if it is properly verified and used by professionals, the Commission has authorized the submission of certain letters[7a] to the National Association of Securities Dealers, Inc. (NASD) which request the NASD to consider, among other things, adopting standards and guidelines pertaining to the following matters for its members who underwrite and participate in the distribution of high risk new issues of securities and thereafter trade such securities:

a. Due diligence inquiries;

b. Recommendations which are suitable to the financial circumstances and investment needs of their customers. (A similar letter relating to this particular subject has also been sent to all the national securities exchanges.); and

c. Bona fide public offering of securities underwritten and distributed by NASD members.

Although the Commission believes that it has the authority under the registration and antifraud provisions of the Federal securities laws to adopt standards as to due diligence,[8] as to what constitutes a bona fide public offering, and as to what constitutes suitable investment recommendations, the Commission has determined at this time to set forth only its general views so as to permit, in the first instance, the appropriate self-regulatory organizations to establish standards of conduct for their members. Should such organizations fail to adopt appropriate standards, the Commission will reconsider its determination in order to protect investors and the public interest.

I. The Due Diligence Investigation Required in Connection With New High Risk Ventures

Managing underwriters. Although there is no express provision in the Act requiring an underwriter to conduct a due diligence investigation, in order to establish a defense under the civil liability provisions of section 11 of the Act, an underwriter must exercise reasonable care in verifying the statements in the prospectus. Section 11 provides that a purchaser can sue any of the persons subject to section 11 for material misstatements or omissions in the registration statement, but that any of those persons (except the issuer) can avoid liability if he proves that he has made a reasonable investigation of, and has reasonable grounds to believe, the adequacy and accuracy of the statements or omissions which are the subject of the suit.[9]

The availability (to the underwriters and others) of a due diligence defense appears to reflect a congressional policy to change and improve the standards of conduct to which persons associated with the distribution of securities are to be

---

[3] See also, Report of the Special Study of Securities Markets, Part 1, pages 551 and 552. [H. Doc. 95, 88th Cong., 1st Sess., Apr. 3, 1963]

[4] See Investigation, Division Exhibit 15.

[5] Cf., Loss, Securities Regulation, Volume I, Page 128: "* * * the Securities Act * * * was aptly termed the 'truth-in-securities act.' Congress did not take away from the citizen 'his inalienable right to make a fool of himself.' It simply attempted to prevent others from making a fool of him."

[6] One Court has observed: In at least some instances, what has developed in lieu of the open disclosure envisioned by the Congress is a literary art form calculated to communicate as little of the essential information as possible while exuding an air of total candor. Masters of this medium utilize turgid prose to enshroud the occasional critical revelation in a morass of dull and—to all but the sophisticates—useless financial and historical data. In the face of such obfuscatory tactics the common or even the moderately well informed investor is almost as much at the mercy of the issuer as was his pre-SEC parent. He cannot be reading the prospectus discern the merit of the offering. Feit v. Leasco Data Processing Equipment Corporation, 332 F. Supp. 544, 565 (E.D.N.Y. 1971).

[7] Weinstein, J., Feit v. Leasco Data Processing Equipment Corporation, 332 F. Supp. 544, 549 (E.D.N.Y. 1971).

[7a] Filed as part of the original document.

[8] In this connection, the Commission has recently proposed a rule which would require nonmember broker-dealers to exercise due diligence in connection with participating in distributions of securities to their affiliates. See, proposed Rule 15b10-9(a)(1), Securities Exchange Act Release No. 9555 (April 12, 1972). [37 F.R. 7709]

[9] Section 11(a) provides that if a registration statement contains a material untrue statement or omission, any persons acquiring the security may sue, among others, every underwriter with respect to such security. Section 11(b) provides that the underwriter may avoid liability for any untrue statement or omission which is not attributed to an expert, if he can prove that "he had, after reasonable investigation, reasonable ground to believe, at the time such part of the registration statement became effective, that the statements therein were true and that there was no omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading." With respect to parts attributed to an expert, an underwriter need prove only that he had no reasonable ground to believe and did not believe that the statements therein were untrue or contained a material omission. Section 11(c) provides that "in determining * * * what constitutes reasonable ground for belief, the standard shall be that required of a prudent man in the management of his own property." See, H.R. 1838 73d Cong. 2d sess. (1934) 41; Cf. Restatement of Trusts (Second) 1959, section 171. Underwriters of offerings exempt from registration under Regulation A, although not subject to section 11, also have an obligation to make a reasonable investigation, Leonard Lazaroff, Securities Exchange Act Release No. 7940, August 22, 1966. See also Quinn and Company, Inc. v. Securities and Exchange Commission No. 7.1090 (C.A. 10, 1971) relating to the general obligations of brokers to comply with the Securities Act and to investigate facts in connection with securities transactions.

held by imposing upon them standards of "honesty, care, and competence." [10] Indeed, the primary function of section 11 may not be the compensation of investors.[11] It appears rather, that the section may have been designed by Congress to assure adherence to high standards of conduct through the "in terrorem" nature of the liabilities.[12] It was believed that, in the desire to avoid liability, the persons subject to section 11 would exercise the "honesty, care, and competence" necessary to assure the accuracy of the statements in the registration statement.

The underwriter's due diligence inquiry involves his making a reasonable investigation of the "non-expertised" statements in the registration statement. Reasonableness is determined by the standard contained in section 11(c), which is "a prudent man in the management of his own property."

The underwriter's status is unique among those involved in the distribution of securities, in that, other than experienced securities lawyers, he is likely to be the only one experienced in making a due diligence investigation. The underwriter is able to call upon business or technical experts during the course of the investigation; and often is reimbursed for the expenses of his investigation.

Also unique is the importance of the underwriter in the distribution of the securities.[13] His role is central as the intermediary between the issuer and the investing public. Correspondingly, the public looks to the underwriter for protection and expects him to verify the accuracy of the statements in the registration statement.[14] As the Commission observed in The Richmond Corp.:

> By associating himself with a proposed offering, an underwriter impliedly represents that he has made such an investigation in accordance with professional standards. Investors properly rely on this added protection which has a direct bearing on their appraisal of the reliability of the representations in the prospectus.[15]

Moreover, the underwriter is unique in that he is the person who can most easily assume a posture which may be seen as adverse to the company,[16] at least for purposes of the due diligence investigation. Because the underwriter is usually not legally committed to the underwriting until at or about the effective date of the registration statement (subject to terms of the underwriting agreement providing for certain events which may terminate such commitments), and because the participation of the underwriter is central to the successful distribution of the securities, the underwriter is peculiarly able to demand access to information which verifies the statements in the registration statement.

The underwriter's ability to make an investigation, and the public expectation that he will do so, emphasize the importance of his due diligence inquiry which would require exercising a degree of care reasonable under the circumstances to assure the substantial accuracy of representations made in the prospectus.[17] The underwriter may not always rely on the truthfulness of all the information supplied by the issuer. "Such reliance * * * [does] not constitute discharge of the duty to exercise reasonable care * * *." [18] Rather, "the underwriters must make some reasonable attempt to verify the data submitted to them." [19] Of course, the nature and extent of verification which is required will vary with the circumstances, but an essential element of every investigation is the independent nature of the verification by the underwriter.

A thorough and intensive underwriter's investigation is especially important in an initial public offering by companies in the development stage or those dealing with "high technology" products or processes. "Where * * * an issuer seeks funds from the public to finance a new and speculative venture, the underwriter must be particularly careful in verifying the issuer's obviously self-serving statements as to its operations and prospects." [20] In such cases, the difficulties encountered in an investigation of technical or scientific matters are often complicated by the fact that the issuer is still engaged in research or development and has not yet subjected the product to the critical evaluation of the marketplace. These difficulties, however, serve only to emphasize the public's need for protection and the corresponding need for a thorough investigation by an underwriter. In addition, both the underwriter's experience in the securities market, which is unique among those involved in the offering of securities, and his duty under the "shingle" theory to deal fairly with his customers,[21] impose a burden on him in the pricing of securities in an initial public offering. Where no public market price exists, the underwriter should exercise care to assure that the price reflects what he reasonably believes, after his due diligence investigation, to be the value of the securities, giving weight to, among other factors, fundamentals such as the business, operations and prospects of the issuer and the nature and financial condition of the issuer.

The testimony in the hearings on the hot issue securities markets has revealed that there is wide variation in the nature and extent of the due diligence investigations performed by underwriters.[22] Because there are no industrywide guidelines to provide direction, the determination of what should be verified and how such verifications should be made varies with knowledge, experience, and resources available to those making the investigations. The Commission believes that wide variation in the content and technique of due diligence investigations (as well as the apparent inadequacy of some underwriters' investigations) may make it difficult for a responsible underwriter to know whether he has conducted an adequate investigation and, insofar as variation creates an uncertainty about what must be done, may lessen investor protection. These problems have already been recognized by the NASD. In January 1972, the Board of Directors of that organization directed its staff to conduct a study to determine the feasibility of establishing due diligence standards for underwriters.[23] The Commission believes that it is both possible and necessary to establish standards in this area, as the NASD has done in other areas, which can guide underwriters in doing an investigation.[24] In the attached letter to the NASD the Commission supports that organization's study on due diligence and requests that it consider formulation of standards to assist underwriters in conducting due diligence investigations.

Participating underwriters and others. Section 11 does not by its terms distinguish between managing underwriters (managers) and underwriters who participate as members of the underwriting

---

[10] H.R. No. 85, 73d Cong. 1st sess. (1933) 5.

[11] In the Senate version of the Securities Act, section 11 was designed primarily to compensate investors in that no due diligence defense was provided. The due diligence defense was added in conference because it was believed that the insurance concept of liability in the Senate version would not materially aid investor protection but might interfere with the efficient operation of business. H.R. 152, 73d Cong. 1st sess. (1933) 26.

[12] See, Globus V. Law Research Service, Inc., 418 F. 2d 1276, 1288–1289 (C.A. 2, 1969).

[13] H.R. No. 85, 73d Cong. 1st sess. (1933) 9. "The duty of care to discover varies in its demands upon participants in security distribution with the importance of their place in the scheme of distribution and with the degree of protection that the public has a right to expect."

[14] Ibid.

[15] 41 S.E.C. 398, 406 (1963).

[16] Escott v. BarChris Construction Co., 283 F. Supp. 643, 696 (S.D.N.Y. 1968).

[17] See, Charles E. Bailey & Co., 35 S.E.C. 33, 41 (1953).

[18] *Ibid.*, at page 42.

[19] Escott v. BarChris Construction Co., *supra*, 697.

[20] Charles E. Bailey, supra, 42.

[21] See, e.g., Best Securities, Inc., 39 S.E.C. 931 (1960); Ross Securities, Inc., 41 S.E.C. 509 (1963).

[22] For example, some underwriters have relied on outside consultants to conduct all or a portion of their due diligence investigation and some do not. One representative of an underwriting firm observed that:

"Our experience has shown that in addition to our own evaluation of companies, plants, products, and managements and in addition to the due diligence exercised by leading attorneys and accountants, it is extremely desirable to supplement this work by the use of independent experts and specialists in the individual fields which constitute the business of the prospective issuer. We feel that no investment banking firm can expect to maintain on its staff the people who would be qualified to properly and in-depth evaluate the broad spectrum of companies which come before it for financing. We also feel that the objectivity of an independent evaluator provides a balance to an internal staff member's point of view."

[23] Investigation, Transcript page 603. The NASD has recently proposed an amendment to its Schedule E relating to distributions by its members.

[24] For example, the NASD's "Free Riding and Withholding" interpretation of its Rules of Fair Practice provides certain standards for determining whether a member has made a bona fide public offering.

group (participants). It speaks only of "every underwriter," [25] of whatever type.[26] This also would include officers and directors and others who distribute securities on behalf of an issuer without the service of a professional underwriter. It should be recognized that directors and certain officers have an obligation to conduct a due diligence inquiry notwithstanding the use of a professional underwriter.

The participating underwriter's reasonable investigation may not be as heavy a burden as that of the managing underwriter's [27] and, in making a reasonable investigation, the participating underwriter need not duplicate the investigation made by the manager. The participant may delegate the performance of the investigation to the manager.[28]

Even though the participant may appoint the manager as his agent to do the investigation, it is important to understand that the delegation to the manager and the subsequent reliance on his investigation must be "reasonable in light of all the circumstances." [29] This means that the participant may relieve himself of the task of actually verifying the representations in the registration statements, but that he must satisfy himself that the managing underwriter makes the kind of investigation the participant would have performed if he were the manager. He should assure himself that the manager's program of investigation and actual investigative performance are adequate. The participant's checks on the manager are vital since they may provide additional assurance of verification of the statements in the registration statement. Section 11 accords a due diligence defense to each person engaged in the distribution (except the company) in the expectation that each such person will make a reasonable investigation in light of these circumstances so that he can avoid the heavy civil liabilities imposed by that section. Although Congress made participants subject to suit under section 11 and gave them a defense of due diligence, it did not provide express standards relating to the role participants play in the process of verification. Thus, although the participant may delegate the performance of the investigation, he must take some steps to assure the accuracy of the statements in the registration statement. To do this, he at least should assure himself that the manager made a reasonable investigation.

The testimony in the hot issue hearings indicates that verification practices of participating underwriters vary. In practice, some participants act as if they are exempt from the consequences of section 11. They delegate the task of investigation to the manager, but take few, if any, steps to assure that the manager makes a reasonable investigation. There is often little communication or consultation between the manager and the participants concerning the scope or thoroughness of the manager's investigation or its results. The Commission believes that guidelines are necessary to assist participants in assuring themselves of the manager's investigation.

Due diligence meeting. Another matter which the Commission believes deserves special mention is the "due diligence" meeting. The meeting, held prior to the effective date of the registration statement, is attended by representatives of the issuer, the manager, and the participants (although the most junior member of the participant's underwriting department is often assigned to attend the meeting) and is ostensibly for the purpose of allowing the participants to exercise "due diligence." However, the meeting often provides only an opportunity for the participants to meet management "face-to-face" and to observe their responses to questions. In some instances it is not indicated to the participants how the statements in the registration statement have been verified nor are they informed as to what the manager did during the course of the investigation. Indeed in recent years, the trend appears to have been to direct discussion away from the registration statements.[30]

Commission's request of the NASD. The Commission has previously suggested that the NASD formulate and establish standards relating to the conduct of its members in making due diligence investigations.[31] The Commission is reaffirming this suggestion and requesting the NASD to consider formulating and establishing standards to guide the conduct of its members when acting as managing or participating underwriters, particularly of securities to be offered by companies seeking public financing for the first time. In this regard, the Commission is requesting the NASD to consider, among others, the following factors:

1. The member's ability to investigate the issuer and its management and to evaluate such items as its budgets and market penetration plans;

2. The member's resources in personnel, technical expertise and capital;

3. The member's employment of third parties to perform some portion of the investigation;

4. The need for a report by the member who is a managing underwriter to the participating underwriters; and

5. The appropriate function of the due diligence meeting.

II. SUITABILITY STANDARDS IN CONNECTION WITH RECOMMENDING SECURITIES OF REGISTRANTS SEEKING PUBLIC FINANCING FOR THE FIRST TIME, INCLUDING THOSE WHICH BECOME "HOT ISSUES" DURING A DISTRIBUTION OR IN THE "AFTER-MARKET"

Existing suitability rules. The NASD, the New York Stock Exchange (NYSE), the American Stock Exchange (AMEX), and the Commission all have adopted suitability rules. The NASD rule, which governs only its members, states:

In recommending to a customer the purchase, sale or exchange of any security, a member shall have reasonable grounds for believing that the recommendation is suitable for such customer upon the basis of the facts, if any, disclosed by such customer as to his other security holdings and as to his financial situation and need.[32]

The Commission rule applies to those brokers or dealers who are not members of the NASD. It reads as follows:

Every nonmember broker or dealer and every associated person who recommends to a customer the purchase, sale or exchange of any security shall have reasonable grounds to believe that the recommendation is not unsuitable for the customer on the basis of information furnished by such customer after reasonable inquiry concerning the customer's investment objectives, financial situation and needs, and any other informa-

---

[25] Section 11(a)(5).

[26] In passing, it can be noted that if a selling effort is required to distribute the securities, the salesman who makes the effort must have a reasonable basis for making any recommendations or any representations. In order to have such a basis, a salesman must make a reasonable investigation, which, in the context of a registered offering, means that he should at least familiarize himself with the information disclosed in the registration statement. See, J. P. Howell & Co., Inc. Securities Exchange Act Release No. 8087 (June 1, 1967); and Quinn and Co., Inc. v. Securities and Exchange Commission, Note 9, supra. This requirement arises under the antifraud provisions of the Exchange Act and other provisions of the securities laws, rather than section 11 of the Act. Moreover, if the salesman engages in a selling effort, he must know such information if he is to fulfill his duties under the "suitability" rules, which are more fully discussed below. Only if he is informed about the risks associated with the issuer and the market for its securities can the salesman assess whether the level of risk incurred in purchasing the securities is appropriate in view of the customer's financial situation and needs and investment objectives.

[27] The bases for distinguishing between the managing and participating underwriters is that the participant receives a smaller compensation than the manager; that the participant is not nearly as important in the scheme of distribution; that the public looks more to the managing underwriter than to the participant for protection; and that the participant has less access to the issuer and its records. (See discussion above.) See also, The Business Lawyer, Vol. 27, Special Issue, page 132 (February 1972); Feit v. Leasco Data Processing Equipment Corp., 332 F. Supp. 544 (1971); and Escott v. BarChris Construction Corp., 283 F. Supp. 643 (1968) for the proposition that there are different levels of due diligence required of different categories of persons. Officers and "inside" directors whether or not they act as underwriters have an obligation to act diligently in light of their access to information concerning their companies.

[28] H.R. No. 152, 73d Cong. 1st sess. (1933) 26.

[29] Ibid. See also Landis, The Securities Act of 1933, Bankers Magazine, November 1933, 653, at 656.

[30] See, for example, testimony in the investigation, page 1569 and page 1937.

[31] The NASD has also recently proposed amendments to its Schedule E which would require so-called pricing underwriters to assume the responsibilities and liabilities of underwriters under the Act, including those under section 11.

[32] CCH NASD Manual 2152, art. III (Rules of Fair Practice) § 2.

tion known by such broker or dealer or associated persons.[33]

The NYSE Rule 405 which applies to its members provides:

> Every member organization is required through a general partner, a principal executive officer or a person or persons designated under the provisions of Rule 342(b)(1) * * * to * * * use due diligence to learn the essential facts relative to every customer, every order, every cash or margin account accepted or carried by such organization and every person holding power of attorney over any account accepted or carried by such organization * * *.[34]

Failure to adhere to these rules may fall short of actual violation of the antifraud provisions of the Federal securities acts and the rules thereunder. On the other hand, in many situations, violations of the suitability rules may involve fact patterns which also would constitute violations of such securities acts.[35]

First time public offerings and hot issues. It is generally recognized that the initial purchasing of or trading in the after market of the securities of companies seeking public financing for the first time involves substantial risk of significant losses. Such risks are exacerbated when the security in question becomes a "hot issue" and is purchased in the trading market. Hot issues result where the price of a new offering of securities rises to a substantial premium over the initial offering price immediately or very soon after the securities are first distributed to the public. The assumed possibility for profit without significant investment risk results in a sometimes frantic rush by customers to obtain the coveted "hot" stock, and creates pressures on brokers and dealers to satisfy this demand. There is, therefore, a definite need for specific suitability standards in this area.

The tailoring of suitability standards for a specific problem has precedence in the experience of the Commission. For example, suitability regulations have been imposed by the Commission in the area of equity funding.[36] The Commission, in its recent Market Structure Report,[37] had occasion to emphasize the importance of vigorous enforcement of standards of suitability in relation to the broker-dealer's obligation to provide research in a regime of competitive commission rates. The Commission also has discussed the problem of unsuitable recommendations relating to speculative new issues of securities in connection with proceedings relating to the conduct of brokers and dealers registered under the Exchange Act.[38]

Commission's request of self-regulatory organizations. Since the promulgation of suitability standards has been a significant responsibility of the self-regulatory organizations, the Commission has requested that the NASD and the national stock exchanges, consider developing suitability standards for the guidance of their members in selling securities issued by companies going public for the first time, with particular emphasis on such securities which become hot issues and are sold in the aftermarket. In this connection, such organizations should consider the following factors:

1. The investment objectives, financial situation and needs of the customer as well as the customer's experience and sophistication in securities transactions; and
2. The proper documentation necessary to assure compliance with such suitability requirements, including the member's written procedures to be followed by its associated persons.

The Commission has today, by the attached letter, requested the NASD and the national stock exchanges to consider developing suitability rules applicable to their members giving due weight to the factors set forth in this release. If an appropriate response is not obtained from such organizations, the Commission will then consider rule making to accomplish the necessary results for the protection of investors and in the public interest.

III—Bona Fide Public Distributions

The need for a bona fide public distribution. The special study of securities markets[39] and, more recently, a study of new issues conducted by the New York State Attorney General's Office have found that restrictions on the supply of securities, often by artificial means, were a major factor causing a new issue of securities to become "hot."[40]

As the NASD recognized in its "free-riding" interpretation of its rules of fair practice:

> The failure to make a bona fide public distribution when there is a demand for an issue can be a factor in artificially raising the price.[41]

Based on its study of all new issues underwritten on a best-efforts basis in the last half of 1969, the NASD concluded that:

> Small supply more easily enables manipulation and our facts and inspections unmistakably show that premiums go up as price and total dollar amount of the offering go down.[42]

Existing Federal securities law and NASD regulations. While the Securities Act of 1933 does not establish standards for a bona fide public distribution, in the Commission's opinion, it is consistent with the purpose and policy of the Act to require that such distributions be made. Registration forms adopted under the Act require that the plan of distribution be disclosed in the registration statement.[43] The Commission has observed that:

> These disclosures are misleading if, in fact, substantial blocks of shares are not to be offered to the public at the prospectus price, but rather are to be allotted to "insiders," trading firms and others who may be expected to reoffer at the higher price.[44]

In addition, section 6(a) of the Securities Act provides that "A registration statement shall be deemed effective only as to the securities specified therein as proposed to be offered." Item 4 of our Division of Corporation Finance's Guides for Preparation and filing of Registration Statements interprets this provision as not to permit registration of securities if there is no intention to offer them within the proximate future. That Guide does, however, specify certain types of deferred or extended offerings for which registration is permitted or required.[45]

The NASD has published under its rules of fair practice, which govern only its members, two interpretations which deal indirectly with the matter of a bona fide public distribution of securities. The first, which appears under the heading "Review of Corporate Financing," states:

> While no exact limitations on company reserved or directed securities are used as guidelines by the Association, the number of such shares shall be reasonable in amount under the prevailing circumstances, shall bear a reasonable relationship to the total

---

[33] 17 CFR 240.15b10-3 (1971).

[34] CCH NYSE Guide 2405. See also, AMEX Rule 411 CCH AMEX Guide which provides:

> Every member, member firm or member corporation shall use due diligence to learn the essential facts relative to every customer and to every order or account accepted. No member, member firm or member corporation shall make any transaction for the account of or with a customer unless, prior to or promptly after completion thereof, the member, a general partner of the member firm or an officer of the member corporation shall specifically approve the opening of such account * * *. The member, general partner or officer approving the opening of an account shall, prior to giving his approval, be personally informed as to the essential facts relative to the customer and to the nature of the proposed account * * *.

[35] See, e.g., Shearson, Hammill & Co., Exchange Act Release 7743 (November 12, 1965); Amsbury, Allen & Morton, Inc., Exchange Act Release 8111 (June 30, 1967) and Century Securities Co., Exchange Act Release 8123 (July 14, 1967).

[36] Rule 15c2-5 under the Exchange Act. [17 CFR 240.15c2-5]

[37] Statement of the Securities and Exchange Commission on the Future Structure of the Securities Markets, Feb. 2, 1972, pages 17 and 18.

[38] See note 35, supra.

[39] See generally, Report of the Special Study of Securities Markets of the Securities and Exchange Commission Part 1, pp. 528-533.

[40] Investigation, File No. 4-148. Clurman Exhibit No. 1 to testimony of David Clurman, Assistant Attorney General of New York State, Mar. 1, 1972, p. 8. The study related to 103 companies which made first-time public offerings in 1968 and 1969.

[41] CCH NASD Manual, paragraph 2151, .06. The "Free-Riding and Withholding" Interpretation will be discussed more fully below.

[42] Investigation, File No. 4-148. Burke Exhibit 1 to testimony on behalf of the NASD, Mar. 10, 1972, p. 23.

[43] See, e.g., Form S-1, Item 2.

[44] Securities Act of 1933 Release No. 450, p. 2 (Oct. 23, 1959). See also, Lewisohn Copper Corp., 38 S.E.C. 226 (1958) where failure to disclose such method of distribution was found a basis for the issuance of a stop order. See also, Skiatron Electronics and Television Corporation, 41 S.E.C. 236 (1960).

[45] See Guides for Preparation and Filing of Registration Statements, Securities Act Release 4936, Guide 4, Registration of Securities for Delayed Offering. See also, Shawnee Chiles Syndicate, 10 S.E.C. 104 (1941).

number of shares being offered publicly at that time, and shall be reserved only for those persons who are directly related to the conduct of the issuer's business.[46]

During the hot issues public investigation, a representative of the NASD testified that:

Our regulations now limit the amount of directed stock to no more than 10 percent of the total amount offered and require that recipients be people who are related directly or indirectly to the conduct of the registrant's business and have a stake in its success rather than persons who are along only for the "free-ride."[47]

The second NASD interpretation which relates to a bona fide public distribution appears under the caption "Free-Riding and Withholding." This interpretation, which limits the ability of underwriters and selling group members to place shares being distributed in their own account and those of their associates when they are aware that the issue will be "hot," provides:

That members have an obligation to make a bona fide public distribution at the public offering price of securities of a public offering which immediately after the distribution process is commenced trade (sic) at a premium in the secondary market (a "hot issue") regardless of whether such securities are acquired by a member as an underwriter, a selling group member, or from a member participating in the distribution as an underwriter or selling group member, or otherwise. The failure to make a bona fide public distribution when there is a demand for an issue can be a factor in artificially raising the price. Thus, the failure to do so, especially when the member may have information relating to the demand for the securities or other factors not generally known to the public is inconsistent with high standards of commercial honor and just and equitable principles of trade and leads to an impairment of public confidence in the fairness of the investment banking and securities business.[48]

This interpretation goes on to forbid the withholding of shares by the underwriter or selling group member for its own account and the sales of shares to certain categories of persons associated with the member and to certain persons employed by institutional investors.[49] The interpretation further provides that, where the issuer directs the underwriter to distribute the securities to the persons in the categories described, the free-riding interpretation will be applied.

[46] CCH NASD Manual paragraph 2151, .02.

[47] File No. 4-148. Burke Exhibit No. 1, Mar. 10, 1972, p. 5.

[48] CCH NASD Manual paragraph 2151, .06.

[49] There is a proviso, however, which permits the withholding or sales:

"* * * if the member is prepared to demonstrate that the securities withheld for its own account were withheld for bona fide investment in accordance with the member's normal investment practice or were sold to such other persons in accordance with their normal investment practice with the member, that the aggregate of the securities so withheld and/or sold is insubstantial and not disproportionate in amount as compared to sales to members of the public and that the amount withheld and/or sold to any one of such persons is insubstantial in amount."

CCH NASD Manual para. 2151.06.

The present regulatory framework discussed above imposes no express duty on the distributors of securities to assure that there will be an adequate number of shares in the hands of public investors ("float"). Instead, the approach may be characterized as restricting distributions which can be made to certain categories of investors in order to remove certain incentives to manipulation and to prevent the issuer, distributors, and their associates from taking unfair advantage of their knowledge that a particular issue will be "hot." Assuming, however, that there is no intention to manipulate or to unfairly distribute the hot issue largesse, the distribution may still result in an inadequate "float" or public supply, thereby causing an issue to become even "hotter." For instance, where there is no direction by the issuer and the potential customer does not have one of the accounts restricted by the free-riding interpretation, that customer could purchase in the distribution any percentage of the total offering he wished without the NASD member or members from whom he purchased having violated the NASD free-riding interpretation.[50]

Moreover, it should be noted that one category of investors to which NASD interpretations do not appear to apply is customers who have given discretionary authority to buy and sell securities to their registered representatives. In relating the results of his study of new issues, an Assistant Attorney General of New York, stated:

We were concerned with the use of discretionary accounts by brokers in the new issues field. It would appear that this technique can be craftily employed to manipulate market prices. In other words, the stock salesman took command of decisions as to when, and at what price, to buy and sell.[51]

Commission's requests of the NASD. The development of standards for what constitutes a bona fide public offering may have at least two salutory effects in the hot issue context. First, it may partially assure that the demands of more customers for the new issue are satisfied. The testimony of a number of underwriters indicates that a large percentage of the real buyers in the aftermarket which develops immediately after distribution of the new issue are customers of members of the underwriting group who were allotted less securities than they had requested.[52] Secondly, a sufficient supply of securities in the hands of a large number of initial purchasers may help to assure more orderly aftermarket activity.

In view of the above, the Commission has today transmitted a letter to the NASD[53] requesting that it consider utilizing its rule making or interpretative powers to establish guidelines as to particularizing what constitutes a bona fide public offering. As part of its request, the Commission has asked the NASD to consider the following factors:

a. Total number of securities to be offered;
b. Price of the securities to be offered;
c. Number of persons to whom securities will be distributed;
d. Size of the allotments, if allotments are necessary;
e. Types of accounts to which securities will be allotted, including discretionary accounts; and
f. The "float" in the hands of the public as opposed to that in the hands of affiliates of the issuer.

All interested persons are invited to submit their views and comments on the foregoing, in writing, to Nicholas Wolfson, Special Counsel, Office of the Director, Division of Corporation Finance, Securities and Exchange Commission, Washington, D.C. 20549, on or before September 15, 1972. All such communications with respect to these matters should refer to File No. S7-450. All such communications will be available for public inspection.

By the Commission.

[SEAL] RONALD F. HUNT,
Secretary.

JULY 27, 1972.

[FR Doc.72-12444 Filed 8-8-72;8:48 am]

[50] Investigation, 605-608.

[51] Investigation, p. 127. See also, pp. 598 and 407-408.

[52] See, for example, the testimony in the investigation, pp. 1905-1906.

[53] Filed as part of the original document.

[17 CFR Parts 239, 249]

[Release Nos. 33-5276, 34-9672]

FORMS S-1, S-2, 10, AND 10-K

Market Penetration Studies and Other Relevant Data; Improved Disclosure

Notice is hereby given that the Securities and Exchange Commission has under consideration proposed amendments to certain of its registration and reporting forms to require, among other things, improved disclosure of an issuer's business in the areas relating to general competitive conditions in the industry and the position of the issuer therein, as well as, for the first time, description of market penetration studies, and corporate plans and budgets. The Commission believes that improved disclosure relating to the business and finances of new high risk ventures is necessary since, generally, there is an absence of historical information available to the public concerning such ventures in the form of reports filed with the Commission or published by financial services. In addition, investing in these types of business may involve a greater risk of loss.

The Commission is also proposing to integrate further the disclosure requirements of the Securities Act of 1933 (Act) and the Securities Exchange Act of 1934 (Exchange Act) by eliminating differences and anomalies among certain forms and by including in Forms S-1 and S-2 (17 CFR 239.11, 239.12) under the Act the more recently adopted items pertaining to description of business now only contained in Forms 10 and 10-K (17 CFR 249.210, 249.310) under the Exchange Act.

The proposals, other than those relating to standardization of disclosure

among various forms, reflect the findings of the on-going public investigation of the hot issues securities markets.[1]

Certain of these proposals are designed to result in disclosure of more meaningful information concerning new businesses in an effort to provide a better picture of the economic realities concerning such businesses to the investing public. More specifically, the proposed amendments would require, as part of the description of an issuer's business, in the case where it proposes to enter or where it has recently entered a new line of business or introduced a new product involving the investment of a material amount of the company's resources, appropriate disclosure as to the existence and nature of market penetration studies. Testimony in the investigation indicates that underwriters and venture capital investors consider such studies to be important to their decision as to whether to underwrite or invest in an issue of securities of a new issuer.[2]

With respect to disclosure of competitive conditions in the industry, issuers would have to include, where available, more meaningful information measuring the performance of companies in the same line of business as the issuer. This too is information obtained by venture capitalists and underwriters in considering their investment decision.[3]

Where the company is filing for the first time on Forms S–1, S–2, or Form 10, which (including predecessors) has not conducted bona fide operations for a period of three or more fiscal years prior to the filing of the registration statement, there is proposed a requirement that the company's plan of operation for the remainder of the fiscal year be described. This would include such matters as a budget, if any, of anticipated cash expenditures and resources which should present on a quarterly basis the principal categories of expenditures expected to be incurred. Disclosure of such information for the first 6 months of the next fiscal year would be required if the registration statement is filed after the end of the second quarter of the current fiscal year. In addition, the information would be required to be updated prior to the effective date of the registration statement and would be followed up in reports filed pursuant to proposed amendments to Forms 10–K and 10–Q (see release 34–9673) (37 F.R. 16023). In the filings under the Act, the expense items in the budget would relate to the use to be made of the proceeds of the offering. The plan would also include an explanation of the product research and development to be performed, the present states of product development, anticipated acquisition of plant and equipment and related matters. Also, the requirements as to description of patents, franchises and trade marks have been clarified and made uniform in Forms S–1, S–2, 10, and 10–K.

The Commission is considering, as an alternative to the foregoing, requiring a statement in narrative form in prospectuses of companies filing registration statements for the first time on Forms S–1 and S–2 which would indicate the management's opinion as to the period of time that the proceeds from the offering would satisfy cash requirements and whether in the next 6 months it would be necessary to raise additional funds to meet the expenditures required for operating the business. The basis for the management's opinion would be required to be set forth with specificity and estimated expenditures and sources of cash would be required to be identified. In addition, if the narrative statement is based on a budget, such budget would be required to be set forth in Part II of the registration statement, but not in the prospectus.

Follow-up disclosure would be required in narrative form in Form 10–K [17 CFR 249.308a] and Form 10–Q covering the applicable periods to indicate the management's opinion as to whether it would be able to generate the necessary funds to operate the business as planned for the next quarter or fiscal year, as the case may be.

The Commission invites and will consider comments on both alternatives, and, in making its final determination as to adoption may select one of the two, or modify one or the other of the alternatives.

In addition, since underwriters, venture capitalists, and other professionals in the securities business have testified that disclosure relating to the performance and background of management may be the most important disclosures[4] the Commission is proposing additional disclosure in this area. The 10-year litigation history requirements pertaining to directors now contained in the Forms 10 and 10–K is proposed to be added to the corresponding items in the Forms S–1 and S–2 and will be broadened to also cover executive officers for all such forms. Also, with respect to Forms 10 and 10–K, S–1, and S–2, the disclosure concerning officers and directors would be standardized, and it is proposed that there will be disclosures in Forms 10, S–1, and S–2 of the experience of certain key persons such as research scientists, production and sales managers, who, although not executive officers, would have made, or could be expected to make, significant contributions to a company which is not subject to the reporting provisions of the Exchange Act. Additional explanation also would be required as to the nature of the responsibilities of the individual in prior positions.

Further, the items in Forms S–1, and S–2, relating to the plan for the distribution of the securities to be registered by companies not subject to the periodic reporting provisions of sections 13(a) or 15(d) of the Exchange Act, are proposed to be amended to require disclosure of the underwriter's intention to confirm sales to their discretionary accounts.

Testimony during the Commission's Public Investigation in the Matter of the Hot Issues Securities Markets indicates that underwriters of securities of new ventures may confirm sales of a material portion of the securities offered to their discretionary accounts.[5] The Special Study of the Securities Markets noted that underwriters restricted the supply of new issues by, among other methods, allotting securities to discretionary accounts.[6] More recently, a study of hot issues prepared for the Attorney General of the State of New York pointed out that the purchase of new issues for discretionary accounts gave the underwriter "a large degree of effective trading control" and recommended "that consideration should be given to prohibitions or limitations on the sale of new issue securities to discretionary accounts controlled by underwriters in manner that could easily result in the manipulation of the market for the new issue."[7] The National Association of Securities Dealers, Inc. (NASD) in its freeriding and withholding interpretation[8] points out that its members have an obligation to make a bona fide public distribution at the public offering price of securities and that the failure to make such a distribution may be a factor in artificially raising the price.[9] Accordingly, the interpretation prohibits members, inter alia, from allotting securities to their own accounts or to the accounts of their employees rather than distributing them to the general public. Allocation of significant amounts of securities to accounts over which the underwriter has discretion gives him the same power and authority to artificially limit supply as if he allotted such securities to his own account or those of his partners, officers, and employees.[10]

The Commission believes, therefore, that disclosure with respect to the intended use of discretionary accounts by principal underwriters (those in privity of contract with the issuer)[11] should be required.

Items in Forms S–1, S–2, 10, and 10–K would be amended so as to read as follows:

I. FORM S–1 [17 CFR 239.11]

The following new subparagraph (d) would be added to item 2:

---

[1] File No. 4–418. Hereafter, reference to "testimony" are to testimony taken in this proceeding.

[2] For example, see testimony p. 2327, p. 768, p. 789.

[3] For example, see testimony p. 2312, p. 818, p. 1930.

[4] See, for example, testimony p. 428, p. 762, and p. 788.

[5] See, for example, testimony, p. 150.

[6] Report of Special Study of Securities Markets of the Securities and Exchange Commission, Part I at 555 (H. Doc. 95, 88th Cong., 1st Sess., Apr. 3, 1963).

[7] A Report to the Attorney General of the State of New York, at 9, 37–38 (1969).

[8] CCH NASD Manual, Para. 2151, Art. III, § 1.

[9] The Commission has requested that the NASD develop additional standards in this area. See Securities Act Release 5275 (37 F.R. 16011).

[10] The NASD recognized this in its testimony during the investigation.

[11] See Rule 405 (17 CFR 230.405) under the Securities Act of 1933.

ITEM 2. Plan of Distribution.

(d) With respect to any registrant which has not been heretofore subject to the requirements of sections 13(a) or 15(d) of the Securities Exchange Act of 1934, if any principal underwriter intends to confirm sales to any accounts over which it exercises discretionary authority, this should be disclosed together with an estimate of the amount of securities so intended to be confirmed.

Items 9, 16, and 17 would be revised to read as follows:

ITEM 9. Description of Business.

(a) Describe the business done and intended to be done by the registrant and the general development of such business during the past five years, or such shorter period as the registrant may have been engaged in business. The description shall include information as to matters such as the following:

[Explanation: Subparagraphs (a)(1) and (a)(2) of Item 9 were formerly subparagraphs 9(e) and 9(c) respectively.]

(1) Competitive conditions in the industry or industries involved and the competitive position of the registrant. If several products or services are involved, separate consideration shall be given to the principal products or services or classes of products or services.

(2) If a material part of the enterprise is dependent upon a single customer, or a few customers, the loss of any one or more of which would have a materially adverse effect on the registrant, the name of the customer or customers, and other material facts with respect to their relationship, if any, to the registrant and the importance of the business to the registrant shall be stated.

(3) The principal products produced and services rendered by the registrant, the principal markets for, and methods of distribution of, such products and services, including any significant changes in the kinds of products produced or services rendered, or in the markets or methods of distribution, during the past 3 fiscal years.

(4) The dollar amount of backlog of orders believed to be firm, as of a recent date and as of a comparable date in the preceding fiscal year, together with an indication of the proportion thereof not reasonably expected to be filled within the current fiscal year, and seasonal or other significant aspects of the backlog and the extent to which backlog is significant in the business of the registrant.

(5) The sources and availability of raw materials essential to the business.

(6) The importance, duration, and effect of all material patents, patent rights, trade marks, licenses, franchises, and concessions held.

(7) The estimated dollar amount spent during each of the last 2 fiscal years on material research activities relating to the development of new products or services or the improvement of existing products or services which were company-sponsored and/or those which were customer-sponsored including the status of such activities (e.g., whether in the planning stage, whether prototypes exist, the degree to which product design has progressed or whether further engineering is necessary). Indicate the approximate number of professional employees engaged fulltime in each category of activity during such fiscal year.

(8) The number of persons employed by the enterprise.

(9) The extent to which the business is or may be seasonal.

Instructions. 1. If the registrant proposes to, or has recently entered or introduced a new line of business or product requiring the investment of a material amount of the registrant's resources, indicate whether there have been market studies performed, briefly describe such studies and furnish supplementally any report prepared in connection therewith. The present status of product development should also be disclosed (e.g., whether in planning stage or whether further development is necessary).

2. The principal bases of competition (e.g., price, service, warranty or product performance) should be identified and positive and negative factors pertaining to the competitive position of the registrant, to the extent that they exist, should be explained. If practicable, an estimate of the number of competitors in a particular market or markets should be stated, and, where one or a small number of competitors are dominant, they should be identified and the basis for their dominance explained. Where material to the understanding of the registrant's business, the registrant's and industry practices and conditions relative to working capital items should be explained (e.g., where the registrant is required to carry significant amounts of inventory to meet rapid delivery requirements of customers; to assure itself of a continuous allotment of goods from suppliers; or where the registrant may experience negative cash flow because of extended payment terms to customers).

3. The description shall not relate to the powers and objects specified in the charter, but to the actual business done and intended to be done. Include the business of subsidiaries and affiliates of the registrant insofar as is necessary to understand the character and development of the business conducted by the total enterprise. (Formerly Instruction 1 to Item 9(a).)

4. In describing developments, information shall be given as to matters such as the following: The nature and results of any bankruptcy, receivership or similar proceedings with respect to the registrant or any of its significant subsidiaries; the nature and results of any other materially important reorganization, readjustment or succession of the registrant or any of its significant subsidiaries; the acquisition or disposition of any material amount of assets otherwise than in the ordinary course of business; and any materially important changes in the mode of conducting the business. (Formerly Instruction 2 to Item 9(a).)

5. The business of a predecessor or predecessors shall be deemed to be the business of the registrant for the purpose of this item. (Formerly Instruction 3 to Item 9(a).)

6. Appropriate disclosures shall be made with respect to any material portion of the business which may be subject to renegotiation of profits or termination of contracts or subcontracts at the election of the Government. (Formerly Instruction 4 to Item 9(a).)

7. NOTE: This instruction applies only to issuers filing a registration statement under the Securities Act for the first time, which (including predecessors) have not conducted bona fide operations for a period of three or more fiscal years prior to the filing of the registration statement, unless similar information has previously been filed for a prior period in Form 10 promulgated under the Securities Exchange Act of 1934.

Describe, if available, the registrant's plan of operation for the remainder of the fiscal year, in the registration statements filed prior to the end of the registrant's second fiscal quarter. Describe, if available, the registrant's plan of operation for the remainder of the fiscal year and the first 6 months of the next fiscal year in registration statements filed subsequent to the end of the second fiscal quarter. If such plan is not available, the reasons for it not being available should be stated. Disclosure relating to any plan should include such matters as:

(a) If available, a budget of anticipated cash expenditures and resources which should present on a quarterly basis the principal categories of expenses expected to be incurred and which generally would include some detail within the following classes of expenditures: Plant, equipment, research and development, production, distribution, marketing, general and administrative, and interest. The assumptions on which the estimates are based including sources of estimated funds should be explained, and appropriate caveats as to reliability of estimates including statements of cash resources should be provided. Any material variances in actual expenditures from budgets for the three fiscal years prior to the filing of the registration statement should be explained. If the information called for by this item is not available, the reason it is not available shall be stated.

NOTE: 1. The expense items in the budget should relate to the use to be made of the proceeds of the offering. Where a material amount of the proceeds will be devoted to working capital, information should be included in connection with the budget as to the amounts needed for operating cash, accounts receivable, inventories and accounts payable.

2. Registrants should be prepared to provide information updating their budgets.

3. The disclosure relating to budgets should be set forth under a separate identifying caption and the statements relating thereto should clearly indicate that the budgets are estimates based on the best judgment of management and the caveats relating thereto should be clearly set forth. It should be noted that material changes in and an updating of such budgets are required to be disclosed in reports on Forms 10-K and 10-Q filed pursuant to the Securities Exchange Act of 1934 for a period of 2 fiscal years after the effective date of the registration statement.

(b) An explanation of the product research and development to be performed during the period, including the status of such activities (e.g., whether in the planning stage whether prototypes exist, the degree to which product design has progressed or whether further engineering is necessary).

(c) The anticipated acquisition of plant and equipment and capacity thereof.

(d) Any anticipated changes in number of employees in the various departments such as research and development, production, sales or administration.

(a) Other material areas which may be peculiar to the registrant's business.

(b) No changes.

(c) If the registrant and its subsidiaries engage in material operations in foreign countries, or if a material portion of sales or revenues is derived from customers in foreign countries, appropriate disclosure shall be made with respect to the importance of that part of the business to the registrant and the risks attendant thereto. Insofar as practicable, furnish information with respect to volume and profitability of such business. (Formerly Item 9(d).)

(d) The Commission may, upon request of the registrant, and where consistent with the protection of investors, permit the omission of any of the information herein required or the furnishing in substitution therefor of appropriate information of comparable character. The Commission may also require the furnishing of other information in addition to, or in substitution for, the information herein required in any case where such information is necessary or appropriate for an adequate description of the business done or intended to be done. (Formerly Item 9(f).)

ITEM 16. Directors and Executive Officers.

(a) List the names and ages of all directors of the registrant and all persons chosen to become directors; indicate all positions and offices with the registrant held by each such person; state his term of office as director and the period during which he has served as such and briefly describe any arrangement or understanding between him and any other person pursuant to which he was selected as a director.

Instructions. 1. Do not include arrangements or understandings with directors or officers of the registrant acting solely in their capacities as such.

2. If any person chosen to become a director has not consented to act as such, so state. (Formerly Instruction 1 to Item 16.)

(b) List the names and ages of all executive officers of the registrant and all persons chosen to become executive officers; indicate all positions and offices with the registrant held by each such person; state his term of office as officer and the period during which he has served as such and briefly describe any arrangement or understanding between him and any other person pursuant to which he was selected as an officer.

Instructions. 1. Do not include arrangements or understandings with directors or officers of the registrant acting solely in their capacities as such.

2. If any person chosen to become an executive officer has not consented to act as such, so state. (Formerly Instruction 1 to Item 16.)

3. The term "executive officer" means the president, secretary, treasurer, any vice president in charge of a principal business function (such as sales, administration, or finance) and any other person who performs similar policymaking functions for the registrant. In some cases, registrants may have persons such as production managers, sales managers, or research scientists, who, although not executive officers, have made, or are expected to make, significant contributions to the registrant, particularly where the operations are small. Where this occurs, and the registrant is not subject to section 13(a) or 15(d) of the Exchange Act nor exempt from section 13(a) by section 12(g)(2)(G) of that Act, these persons should be identified and their background explained to the same extent as in the case of executive officers.

(c) State the nature of any family relationship between any director or executive officer and any other director or executive officer.

Instructions. The term "family relationship" means any relationship, by blood, marriage, or adoption, not more remote than first cousin.

(d) Give a brief account of the business experience during the past 5 years of each director and each executive officer, including his principal occupations and employment during that period and the name and principal business of any corporation or other organization in which such occupations and employment were carried on. Where a person has been employed with the company for less than 5 years, a brief explanation should be included as to the nature of the responsibilities undertaken by the individual in prior positions to provide adequate disclosure of the prior business experience. It will be sufficient to give specific information only as to the number of people supervised, salary, size of operation supervised, and similar information. What is required is information relative to the level of his professional competence.

(e) Describe any of the following events which occurred during the past 10 years and which are material to an evaluation of the ability and integrity of any director or executive officer of the registrant:

(1) A petition under the Bankruptcy Act or any State insolvency law was filed by or against, or a receiver, fiscal agent or similar officer was appointed by a court for the business or property of, such person, or any partnership in which he was a general partner at or within 2 years before the time of such filing, or any corporation or business association of which he was an executive officer at or within 2 years before the time of such filing;

(2) Such person was convicted in a criminal proceeding (excluding traffic violations and other minor offenses) or is the subject of a criminal proceeding which is presently pending; or

(3) Such person was the subject of any order, judgment, or decree of any court of competent jurisdiction permanently or temporarily enjoining him from acting as an investment adviser, underwriter, broker, or dealer in securities, or as an affiliated person, director, or employee of any investment company, bank, savings and loan association or insurance company, or from engaging in or continuing any conduct or practice in connection with any such activity or in connection with the purchase or sale of any security, or was the subject of any order of a Federal or State authority barring or suspending, for more than 60 days, the right of such person to be engaged in any such activity or in connection with the purchase or sale of any security, which order has not been reversed or suspended.

Instruction. If any event specified in paragraph (c) has occurred but information in regard thereto is omitted on the ground that it is not material, the registrant shall furnish, as supplemental information and not as a part of the registration statement, a description of the event and a statement of the reasons for the omission of information in regard thereto.

Paragraph (a)(1) of Item 17 would be revised as follows:

ITEM 17. Remuneration of Directors and Officers.

(1) Each director and each of the three highest paid officers of the registrant whose aggregate direct remuneration exceeded $40,000, naming each such person.

UNDERTAKINGS

The following undertaking D would be added to the undertakings in Form S-1:

D. The following undertaking should be included in the registration statement if equity securities are to be offered and the registrant has not previously sold securities registered under the Act:

"The undersigned registrant hereby undertakes to provide to the underwriter at the closing specified in the underwriting agreement certificates in such denomination and registered in such names as will permit prompt delivery to each purchaser."

II. FORM S-2 [17 CFR 239.12]

The following subparagraph would be added to Item 2:

ITEM 2. Plan of Distribution.

(d) With respect to any registrant which has not been heretofore subject to the provisions of section 13(a) or 15(d) of the Securities Exchange Act of 1934, if any principal underwriter intends to confirm sales to any accounts over which it exercises discretionary authority, this should be disclosed together with an estimate of the amount of securities so intended to be confirmed.

Item 4 would be revised to read as follows:

ITEM 4. Organization and Business.

(a) State the year in which and the name of the State or other jurisdiction under the laws of which the registrant was incorporated, and describe the business done and intended to be done by the registrant and the general development of such business during the period that the registrant has been engaged in business. The description shall include information as to matters such as the following:

[Explanation: With the exception of subparagraph (9) which was previously Item 4(d), the items of disclosure in this form relating to the business and organization of the registrant have been revised to conform to corresponding items in Forms S-1, 10, or 10-K or to codify current staff interpretations or disclosure guidelines.]

(1) Competitive conditions in the industry or industries involved and the competitive position of the enterprise. If several products or services are involved, separate consideration shall be given to the principal products or services or classes of products or services.

(2) If a material part of the enterprise is dependent upon a single customer or a few customers, the loss of any one or more of which would have a materially adverse effect on the registrant, the name of customer or customers, and other material facts with respect to their relationship, if any, to the registrant and the importance of the business to the registrant shall be stated.

(3) The principal products produced and services rendered by the registrant, the principal markets for, and methods of distribution of, such products and services including any significant changes in the kinds of products produced or services rendered, or in the markets or methods of distribution.

(4) The dollar amount of backlog of orders believed to be firm, as of a recent date and as of a comparable date in the preceding fiscal year, together with an indication of the proportion thereof not reasonably expected to be filled within the current fiscal year, any seasonal or other significant aspects of the backlog and the extent to which backlog is significant in the business of the registrant.

(5) The sources and availability of raw materials essential to the business.

(6) The importance, duration, and effect of all material patents, patent rights, trademarks, licenses, franchises, and concessions held.

(7) The estimated dollar amount spent during each of the last 2 fiscal years on material research activities relating to the development of new products or services or the improvement of existing products or services which were company-sponsored and/or those which were customer-sponsored including the status of such activities (e.g., whether in the planning stage, whether prototypes exist, the degree to which product design has progressed, or whether further engineering is necessary). Indicate the approximate number of professional employees engaged full-time in each category of activity during such fiscal year.

(8) The number of persons employed by the enterprise.

(9) The extent to which the business is or may be seasonal. (Formerly part of Item 4(d).)

Instructions. 1. If the registrant proposes to, or has recently entered or introduced a new line of business or product requiring the investment of a material amount of the company's resources, indicate whether there

have been market studies performed, briefly describe such studies and furnish supplementally any report prepared in connection therewith. The present status of product development should also be disclosed (e.g., whether in the planning stage or whether further development is necessary).

2. The principal bases of competition (e.g., price, service, warranty, or product performance) should be identified and positive and negative factors pertaining to the competitive position of the registrant, to the extent that they exist, should be explained. If practicable, an estimate of the number of competitors in a particular market or markets should be stated, and, where one or a small number of competitors are dominant, they should be identified and the bases for their dominance explained.

Where material to an understanding of the registrant's business, the registrant's and industry practices and conditions relative to working capital items should be explained (e.g., where registrant is required to carry significant amounts of inventory to meet rapid delivery requirements of customers; or to assure itself of a continuous allotment of goods from suppliers; or where the registrant may experience negative cash flow because of extended payment terms to customers).

3. The description shall not relate to the powers and objects specified in the charter, but to the actual business done and intended to be done. Include the business of subsidiaries and affiliates of the registrant insofar as is necessary to understand the character and development of the business conducted by the total enterprise.

4. In describing developments, information shall be given as to matters such as the following: The nature and results of any bankruptcy, receivership or similar proceedings with respect to the registrant; the acquisition or disposition of any material amount of assets otherwise than in the ordinary course of business; and any materially important changes in the mode of conducting the business.

5. The business of a predecessor or predecessors shall be deemed to be the business of the registrant for the purpose of this item.

6. Appropriate disclosure shall be made with respect to any material portion of the business which may be subject to renegotiation of profits or termination of contracts or subcontracts at the election of the government.

7. NOTE: This instruction applies only to issuers filing a registration statement under the Securities Act for the first time, which (including predecessors) have not conducted bona fide operations for a period of three or more fiscal years prior to the filing of the registration statement, unless similar information has previously been filed for prior periods in Form 10 promulgated under the Securities Exchange Act of 1934.

Describe, if available, the company's plan of operation for the remainder of the fiscal year in registration statements filed prior to the end of the registrant's second fiscal quarter. Describe, if available, the registrant's plan of operation for the remainder of the fiscal year and the first six months of the next fiscal year in registration statements filed subsequent to the end of the second fiscal quarter. If such plan is not available, the reasons for it not being available should be stated. Disclosure relating to any plan should include such matters as:

(a) If available, a budget of anticipated cash expenditures and resources which should present on a quarterly basis the principal categories of expenses expected to be incurred and which generally would include some detail within the following classes of expenditures: Plant, equipment, research and development, production, distribution, marketing, general and administrative, and interest. The assumptions on which the estimates are based, including sources of estimated funds should be explained and caveats as to reliability of estimates including statements of cash resources should be provided. Any material variances in actual expenditures from budgets, for the 3 fiscal years prior to the filing of the registration statement, shall be explained. If the information called for by this item is not available, the reason it is not available shall be stated.

NOTE: 1. The expense items in the budget should relate to the use to be made of the proceeds of the offering. Where a material amount of the proceeds will be devoted to working capital, information should be included in connection with the budget as to the amounts needed for operating cash, accounts receivable, inventories and accounts payable.

2. Registrants should be prepared to provide information updating their budgets.

3. The disclosure relating to budgets should be set forth under a separate identifying caption and the statements relating thereto should clearly indicate that the budgets are estimates based on the best judgment of management and the caveats relating thereto should be clearly set forth. It should be noted that material changes in and an updating of such budgets are required to be disclosed in reports on Forms 10–K and 10–Q filed pursuant to the Securities Exchange Act of 1934 for a period of 2 fiscal years after the effective date of the registration statement.

(b) An explanation of the product research and development to be performed during the period including the status of such activities (e.g., whether in the planning stage, whether prototypes exist, the degree to which product design has progressed or whether further engineering is necessary).

(c) The anticipated acquisition of plant and equipment and capacity thereof.

(d) Any anticipated changes in number of employees in the various departments such as research and development, production, sales or administration.

(e) Other material areas which may be peculiar to the registrant's business.

(b) If the registrant engages in material operations in foreign countries, or if a material portion of sales or revenues is derived from customers in foreign countries, appropriate disclosure shall be made with respect to the importance of that part of the business to the registrant and the risks attendant thereto. Insofar as practicable, furnish information with respect to volume and relative profitability of such business.

(c) The Commission may, upon the request of the registrant, and where consistent with the protection of investors, permit the omission of any of the information herein required or the furnishing in substitution therefor of appropriate information of comparable character. The Commission may also require the furnishing of other information in addition to, or in substitution for, the information herein required in any case where such information is necessary or appropriate for an adequate decription of the business done or intended to be done.

Item 8 will be revised as follows:

ITEM 8. Promoters, Directors and Officers.

(a) No Change.

(b) List the names and ages of all directors of the registrant and all person chosen to become directors; indicate all positions and offices with the registrant held by each such person; state his term of office as director and the period during which he has served as such and briefly describe any arrangement or understanding between him and any other person pursuant to which he was selected as a director.

(c) List the names and ages of all executive officers of the registrant and all persons chosen to become executive officers; indicate all positions and offices with the registrant held by each person; state his term of office as officer and the period during which he has served as such and briefly describe any arrangement or understanding between him and any other person pursuant to which he was selected as an officer.

Instructions. 1. Do not include arrangements or understandings with directors or executive officers of the registrant acting solely in their capacities as such.

2. The term "executive officer" means the president, secretary, treasurer, any vice president in charge of a principal business function (such as sales, administration or finance) and any person who performs similar policy making functions for the registrant. In some cases, registrant may have persons such as production managers, sales managers, or research scientists, who, although not executive officers, have made, or are expected to make, significant contributions to the company, particularly where the operations are small. Where this occurs, and the registrant is not subject to section 13(a) or 15(d) of the Exchange Act nor exempt from section 13(a) by section 12(g)(2)(G) of that Act, these persons should be identified and their background and experience explained to the same extent as in the case of executive officers.

3. If any person chosen to become a director or executive officer has not consented to act as such, so state. (Formerly Instruction 1 to Item 8(b).)

(d) State the nature of any family relationship between any director or executive officer and any other director or executive officer.

Instructions. The term "family relationship" means any relationship, by blood, marriage or adoption, not more remote than first cousin.

(e) Give a brief account of the business experience during the past 5 years of each director and each executive officer, including his principal occupations and employment during that period and the name and principal business of any corporation or other organization in which such occupations and employment were carried on. Where a person has been employed with the registrant for less than 5 years, a brief explanation should be included as to the nature of the responsibilities undertaken by the individual in prior positions to provide adequate disclosure of his prior business experience. It will be sufficient to give specific information only as to the number of people supervised, salary, size of operation supervised, and similar information. What is required is information relative to the level of his professional competence.

(f) Describe any of the following events which occurred during the past 10 years and which are material to an evaluation of the ability and integrity of any director or executive officer of the registrant:

(1) A petition under the Bankruptcy Act or any State insolvency law was filed by or against, or a receiver, fiscal agent, or any other officer was appointed by a court for the business or property of, such person, or any partnership in which he was a general partner at or within 2 years before the time of such filing, or any corporation or business association of which he was an executive officer at or within 2 years before the time of such filing;

(2) Such person was convicted in a criminal proceeding (excluding traffic violations and other minor offenses) or is the subject of a criminal proceeding which is presently pending; or

(3) Such person was the subject of any order, judgment, or decree of any court of

competent jurisdiction permanently or temporarily enjoining him from acting as an investment adviser, underwriter, broker, or dealer in securities, or as an affiliated person, director, or employee of any investment company, bank, savings and loan association, or insurance company, or from engaging in or continuing any conduct or practice in connection with any such activity or in connection with the purchase or sale of any security, or was the subject of any order of a Federal or state authority barring or suspending, for more than 60 days, the right of such person to be engaged in any such activity, which order has not been reversed or suspended.

Instruction. If any event specified in paragraph (f) has occurred but information in regard thereto is omitted on the ground that it is not material, the registrant shall furnish, as supplemental information and not as a part of the registration statement, a description of the event and a statement of the reasons for the omission of information in regard thereto.

UNDERTAKING TO PROMPTLY DELIVER CERTIFICATES

The following new undertaking would be added to Form S-2:

The following undertaking should be included in the registration statement if equity securities are to be offered and the registrant has not previously sold securities registered under the Act:

"The undersigned registrant hereby undertakes to provide to the underwriter at the closing specified in the underwriting agreement certificates in such denomination and registered in such names as will permit prompt delivery to each purchaser."

III: FORM 10 [17 CFR 239.210]

Form 10 would be revised to read as follows:

ITEM 1. Business.

(a) State the year in which the registrant was organized and its form of organization (such as "a corporation," and "unincorporated association" or other appropriate statement).

(b) Describe the business done and intended to be done by the registrant and the general development of such business during the past 5 years, or such shorter period as the registrant may have been engaged in business. The description shall include information as to matter such as the following:

[Explanation: Subparagraphs 1 and 2 were previously subparagraphs (f) and (d) respectively. Subparagraphs 4, 5, 6, 7, and 8 were previously Instructions 5(A), 5(B), 5(C), 5(D), and 5(E) respectively.]

(1) Competitive conditions in the industry or industries involved and the competitive position of the enterprise. If several products or services are involved, separate consideration shall be given to the principal products or services or classes of products or services. (Formerly paragraph (f) of Item 1.)

(2) If a material part of the enterprise is dependent upon a single customer, or a few customers, the loss of any one or more of which would have a materially adverse effect on the registrant, the name of the customer or customers, and other material facts with respect to their relationship, if any, to the registrant and the importance of the business to the registrant shall be stated. (Formerly paragraph (d) of Item 1.)

(3) The principal products produced and services rendered by the registrant, the principal markets for, and methods of distribution of, such products and services, including any significant changes in the kinds of products produced or services rendered, or in the markets or methods of distribution, during the past 3 fiscal years.

(4) The dollar amount of backlog of orders believed to be firm, as of a recent date and as of a comparable date in the preceding fiscal year, together with an indication of the proportion thereof not reasonably expected to be filled within the current fiscal year, any seasonal or other significant aspects of the backlog and the extent to which backlog is significant in the business of the registrant. (Formerly Instruction 5(A) to paragraph (b) of Item 1.)

(5) The sources and availability of raw materials essential to the business. (Formerly Instruction 5(B) to paragraph (b) of Item 1.)

(6) The importance, duration, and effect of all material patents, patent rights, trademarks, licenses, franchises, and concessions held. (Formerly Instruction 5(C) to paragraph (b) of Item 1.)

(7) The estimated dollar amount spent during each of the last 2 fiscal years on material research activities relating to the development of new products or services or the improvement of existing products or services which were company-sponsored and/or those which were customer-sponsored, including the status of such activities (e.g., whether in the planning stage, whether prototypes exists, the degree to which product design has progressed or whether further engineering is necessary). Indicate the approximate number of professional employees engaged full-time in each category of activity during each such fiscal year. (Formerly Instruction 5(D) to paragraph (b) of Item 1.)

(8) The number of persons employed by the enterprise. (Formerly Instruction 5(E) to paragraph (b) of Item 1.)

(9) The extent to which the business is or may be seasonal.

Instructions. 1. If the registrant proposes to, or has recently entered or introduced a new line of business or product requiring the investment of a material amount of the company's resources, indicate whether there have been market studies performed, briefly describe such studies and furnish supplementally any report prepared in connection therewith. The present status of product development should also be disclosed (e.g., whether in the planning stage or whether further development is necessary).

2. The principal bases of competition (e.g., price, service, warranty, or product performance) should be identified and positive and negative factors pertaining to the competitive position of the registrant, to the extent that they exist, should be explained. If practicable, an estimate of the number of competitors in a particular market or markets should be stated, and, where one or a small number of competitors are dominant, they should be identified and the bases for their dominance explained.

Where material to the understanding of the registrant's business, the registrant's and industry practices and conditions relative to working capital items should be explained (e.g., where the registrant is required to carry significant amounts of inventory to meet rapid delivery requirements of customers; or to assure itself of a continuous allotment of goods from suppliers; or where the registrant may experience negative cash flow because of extended payment terms to customers).

3. The description shall not relate to the powers and objects specified in the charter, but to the actual business done and intended to be done. Include the business of subsidiaries and affiliates of the registrant insofar as is necessary to understand the character and development of the business conducted by the total enterprise. (Formerly Instruction 1 to paragraph (b) of Item 1.)

4. In describing developments, information shall be given as to matters such as the following: The nature and results of any bankruptcy, receivership or similar proceedings with respect to the registrant or any of its significant subsidiaries; the nature and results of any other materially important reorganization, readjustment or succession of the registrant or any of its significant subsidiaries; the acquisition or disposition of any material amount of assets otherwise than in the ordinary course of business; and any materially important changes in the mode of conducting the business. (Formerly Instruction 2 to paragraph (b) of Item 1.)

5. The business of a predecessor or predecessors shall be deemed to be the business of the registrant for the purpose of this item. (Formerly Instruction 3 to paragraph (b) of Item 1.)

6. Appropriate disclosure shall be made with respect to any material portion of the business which may be subject to renegotiation of profits or termination of contracts or subcontracts at the election of the Government. (Formerly Instruction 4 to paragraph (b) of Item 1.)

7. NOTE: This instruction applies only to issuers filing a Form 10 for the first time, which (including predecessors) have not conducted bona fide operations for a period of three or more fiscal years prior to the filing of the registration statement, unless similar information has previously been filed for prior periods on Forms S-1 or S-2 promulgated under the Securities Act of 1933.

Describe, if available, the registrant's plan of operation for the current fiscal year following the date of filing. If such information is not available, the reasons why it is not available shall be stated. Disclosure relating to any plan should include such matters as:

(a) If available, a budget of anticipated cash expenditures and resources which should present on a quarterly basis the principal categories of expenses expected to be incurred and which generally would include some detail within the following classes of expenditures: Plant, equipment, research and development, production, distribution, marketing, general and administrative, and interest. The assumptions on which the estimates are based including sources of estimated funds should be explained, and appropriate caveats with respect to the reliability of estimates including statements of cash resources should be provided. Any material variances in actual expenditures from budgets for the 3 fiscal years prior to the filing of the registration statement shall be explained. If the information called for by the item is not available, the reason why it is not available should be stated.

NOTE: The disclosure relating to budgets should be set forth under a separate identifying caption and the statements relating thereto should clearly indicate that the budgets are estimates based on the best judgment of management and the caveats relating thereto should be clearly set forth. It should be noted that material changes in and an updating of such budgets are required to be disclosed in reports on Forms 10-K and 10-Q filed pursuant to the Securities Exchange Act of 1934 for a period of 2 fiscal years after the effective date of the registration statement.

(b) An explanation of the product research and development to be performed during the period including the status of such activity (e.g. whether in the planning stage, whether prototypes exist, the degree to which product design has progressed, or whether further engineering is necessary).

(c) The anticipated acquisition of plant and equipment and capacity thereof.

(d) Any anticipated changes in number of employees in the various departments such as research and development, production, sales, or administration.

(e) Other material areas which may be peculiar to the registrant's business.

(c) No changes.

(d) If the registrant and its subsidiaries engage in material operations in foreign countries, or if a material portion of sales or revenues are derived from customers in foreign countries, appropriate disclosure shall be made with respect to the importance of that part of the business to the registrant and the risks attendant thereto. Insofar as practicable, furnish information with respect to volume and relative profitability of such business. (Formerly paragraph e of Item 1.)

(e) The Commission may, upon the request of the registrant, and where consistent with the protection of investors, permit the omission of any of the information herein required or the furnishing in substitution therefor of appropriate information of comparable character. The Commission may also require the furnishing of other information in addition to, or in substitution for, the information herein required in any case where such information is necessary or appropriate for an adequate description of the business done or intended to be done. (Formerly paragraph f of Item 1.)

ITEM 6. Directors and Executive Officers.

(a) List the names and ages of all directors of the registrant and all persons chosen to become directors; indicate all positions and offices with the registrant held by each such person; state his term of office as director and the period during which he has served as such and briefly describe any arrangement or understanding between him and any other other pursuant to which he was selected as a director.

Instruction. Do not include arrangements or understandings with directors as such.

(b) List the names and ages of all executive officers of the registrant and all persons chosen to become executive officers; indicate all positions and offices with the registrant held by each such person; state his term of office as officer and the period during which he has served as such and briefly describe any arrangement or understanding between him and any other person pursuant to which he was selected as an officer.

Instructions. 1. Do not include arrangements or understandings with directors or executive officers of the registrant acting solely in their capacities as such.

2. The term "executive officer" means the president, secretary, treasurer, any vice president in charge of a principal business function (such as sales, administration or finance) and any other person who performs similar policymaking functions for the registrant. In some cases, companies may have persons such as production managers, sales managers, or research scientists, who, although not executive officers, have made, or are expected to make, significant contributions to the company, particularly where the operations are small. Where this occurs, those persons should be identified and their background and experience explained to the same extent as in the case of executive officers.

(c) State the nature of any family relationship between any director or executive officer and any other director or executive officer.

Instructions. The term "family relationship" means any relationship, by blood, marriage, or adoption, not more remote than first cousin.

(d) Give a brief account of the business experience during the past 5 years, of each director and each executive officer, including his principal occupations and employment during that period and the name and principal business of any corporation or other organization in which such occupations and employment were carried on. Where a person has been employed with the registrant for less than 5 years, a brief explanation should be included as to the nature of the responsibilities undertaken by the individual in prior positions to provide adequate disclosure of his prior business experience. It will be sufficient to give specific information only as to the number of people supervised, salary, size of operation supervised, and similar information. What is required is information relative to the level of his professional competence.

(e) Describe any of the following events which occurred during the past 10 years and which are material to an evaluation of the ability and integrity of any director or executive officer of the registrant.

[Subparagraphs (1)–(3) and Instruction no changes.]

IV. FORM 10-K [17 CFR 239.310]

Items 1, 8, and 12 of Form 10-K would be revised to read as follows:

ITEM 1. Business.

(a) Describe any material changes and developments since the beginning of the fiscal year in the business done and intended to be done by the registrant. The description shall include information as to matters such as the following:

[Explanation: Subparagraphs (a)(1) and (a)(4)–(8) were previously subparagraphs (e)(1)–(6), respectively. Subparagraphs (a)(2) and (3) were previously subparagraphs (d) and (a), respectively.]

(1) Competitive conditions in the industry or industries involved and the competitive position of the enterprise. If several products or services are involved, separate consideration shall be given to the principal products or services or classes of products or services. (Formerly paragraph (b)(1) of Item 1.)

(2) If a material part of the enterprise is dependent upon a single customer, or a few customers, the loss of any one or more of which would have a materially adverse effect on the registrant, the name of the customer or customers and other material facts with respect to their relationship, if any, to the registrant and the importance of the business to the registrant shall be stated. (Formerly paragraph (d) of Item 1.)

(3) The principal products produced and services rendered by the registrant, the principal markets for, and methods of distribution of, such products and services. (Formerly paragraph (a) of Item 1.)

(4) The dollar amount of backlog of orders believed to be firm, as of the end of the registrant's fiscal year, and as of the end of the preceding fiscal year, together with an indication of proportion thereof not reasonably expected to be filled within the current fiscal year, any seasonal or other significant aspects of the backlog and the extent to which backlog is significant in the business of the registrant. (Formerly paragraph (b)(2) of Item 1.)

(5) The sources and availability of raw materials essential to the business. (Formerly paragraph (b)(3) of Item 1.)

(6) The importance, duration and effect of all material patents, patent rights, trademarks, licenses, franchises, and concessions held. (Formerly paragraph (b)(4) of Item 1.)

(7) The estimated dollar amount spent during the last fiscal year on material research activities relating to the development of new products or services or the improvement of existing products or services which were company-sponsored and/or those which were customer-sponsored including the status of said activities (e.g., whether in the planning stage, whether prototypes exist, the degree to which product design has progressed or whether further engineering is necessary). Indicate the approximate number of professional employees engaged full time in each category of activity during such fiscal year. (Formerly paragraph (b)(5) of Item 1.)

(8) The number of persons employed by the enterprise. (Formerly paragraph (b)(6) of Item 1.)

(9) The extent to which the business is or may be seasonal.

Instructions. 1. If the registrant proposes to, or has recently entered or introduced a new line of business or product requiring the investment of a material amount of the registrant's resources, indicate whether there have been market studies performed, briefly describe such studies and furnish supplementally any report prepared in connection therewith. The present status of product development should be disclosed (e.g., whether in the planning stage or whether further development is necessary).

2. The principal bases of competition (e.g., price, service, warranty, product performance, etc.) should be identified and positive and negative factors pertaining to the competitive position of the registrant, to the extent that they exist, should be explained. If practicable, an estimate of the number of competitors in a particular market or markets should be stated, and, where one or a small number of competitors are dominant, they should be identified and the bases for their dominance explained.

Where material to the understanding of the registrant's business, the registrant's and industry practices and conditions relative to working capital items should be explained (e.g., where the registrant is required to carry significant amounts of inventory to meet rapid delivery requirements of customers; or to assure itself of a continuous allotment of goods from suppliers; or where the registrant may experience negative cash flow because of extended payment terms to customers).

3. The description shall not relate to the powers and objects specified in the charter, but to the actual business done and intended to be done. Include the business of subsidiaries and affiliates of the registrant insofar as is necessary to understand the character and development of the business conducted by the total enterprise.

4. In describing developments, information shall be given as to matters such as the following: The nature and results of any bankruptcy, receivership or similar proceedings with respect to the registrant or any of its significant subsidiaries; the nature and results of any other materially important reorganization, readjustment or succession of the registrant or any of its significant subsidiaries; the acquisition or disposition of any material amount of assets otherwise than in the ordinary course of business; and any materially important changes in the mode of conducting the business.

5. The business of a predecessor or predecessors shall be deemed to be the business of the registrant for the purpose of this item.

6. Appropriate disclosure shall be made with respect to any material portion of the business which may be subject to renegotiation of profits or termination of contracts or subcontracts at the election of the government.

7. Where a company (including predecessors) has included a plan of operation in a registration statement filed under the Securities Act of 1933 or in a Form 10 registration statement filed under the Securities Exchange Act of 1934, the registrant shall describe in the first two Form 10-K filings

made subsequent to the effective date of such registration statement, if available, the company's plan of operation for the current fiscal year; or if not available, the reasons for it not being available. Disclosure relating to any plan should include such matters as:

(a) If available, a budget of anticipated cash expenditures and resources for the remainder of the current fiscal year, which should present on a quarterly basis the principal categories of expenses expected to be incurred and which generally would include some detail within the following classes of expenditures: Plant, equipment, research and development, production distribution, marketing, general and administrative, and interest. The assumptions on which the estimates are based should be explained, and appropriate caveats as to reliability of estimates including statements of cash resources should be provided. Any material variances in actual expenditures from budgets for the prior fiscal year including budgets, if any, prepared for the fourth quarter of the fiscal year, shall be explained. If the information called for by this item is not available, the reasons why it is not available shall be stated.

NOTE: The disclosure relating to budgets should be set forth under a separate identifying caption and the statements relating thereto should clearly indicate that the budgets are estimates based on the best judgment of management and the caveats relating thereto should be clearly set forth. It should be noted that material changes in and an updating of such budgets are required to be disclosed in reports on Form 10–Q pursuant to the Securities Exchange Act of 1934 for a period of 2 years after the effective date of the registration statement.

(b) An explanation of the product research and development to be performed during the period, including the status of such activities (e.g., whether in the planning state, whether prototypes exist, the degree to which product design has progressed or whether further engineering is necessary).

(c) The anticipated acquisition of plant and equipment and capacity thereof.

(d) Any anticipated changes in number of employees in the various departments such as research and development, production, sales, and administration.

(e) Other material areas which may be peculiar to the registrant's business.

(b) No Change.

(c) If the registrant and its subsidiaries engage in material operations in foreign countries, or if a material portion of sales or revenues are derived from customers in foreign countries, appropriate disclosure shall be made with respect to the importance of that part of the business to the registrant and the risks attendant thereto. Insofar as practicable, furnish information with respect to volume and relative profitability of such business. (Formerly paragraph (e) of Item 1.)

(d) The Commission may, upon the request of the registrant, and where consistent with the protection of investors, permit the omission of any of the information herein required or the furnishing in substitution therefor of appropriate information of comparable character. The Commission may also require the furnishing of other information in addition to, or in substitution for, the information herein required in any case where such information is necessary or appropriate for an adequate description of the business done or intended to be done. (Formerly paragraph (f) of Item 1.)

ITEM 8. Executive Officers of the Registrant.

(a) List the names and ages of all executive officers of the registrant and all persons chosen to become executive officers; state the nature of any family relationship between them; indicate all positions and offices with the registrant held by each such person; state his term of office as officer and the period during which he served as such and briefly describe any arrangement or understanding between him and any other person pursuant to which he was selected as an officer.

Instructions. 1. Do not include arrangements or understandings with directors or officers of the registrant acting solely in their capacities as such.

2. The term "executive officer" means the president, secretary, treasurer, any vice president in charge of a principal business function (such as sales, administration or finance) and any other person who performs similar policy making functions for the registrant.

3. The term "family relationship" means any relationship by blood, marriage, or adoption, not more remote than first cousin.

(b) Give a brief account of the business experience during the past 5 years of each executive officer, including his principal occupations and employment during that period and the name and principal business of any corporation or other organization in which such occupations and employment were carried on. Where a person has been employed with the registrant for less than 5 years, a brief explanation should be included as to the nature of the responsibilities undertaken by the individual in prior positions (to provide adequate disclosure of his prior business experiences). It will be sufficient to give specific information as to the number of people supervised, salary, size of operation supervised, and similar information. What is required is information relating to the level of his professional competence.

ITEM 12. Directors of the Registrants.

NOTE: Paragraph (c) of Item 12 also applies to executive officers of the registrant.

(a) State the name and age of each director of the registrant, the date on which his present term of office will expire and the nature of all other positions and offices with the registrant presently held by him. The same information shall be provided with respect to each person chosen to become a director.

(b) If not previously reported, state the nature of any family relationship between each such director and any other director or any executive officer of the registrant and give a brief account of his business experience during the past 5 years, including his principal occupations and employment during that period and the name and principal business of any corporation or other organization in which such occupation or employment was carried on. Where a person has been employed with the registrant for less than 5 years, a brief explanation should be included as to the nature of the responsibilities undertaken by the individual in prior positions to provide adequate disclosure of his prior business experience. It will be sufficient to give specific information only as to the number of people supervised, salary, size of operation supervised, and similar information. What is required is information relative to the level of his professional competence.

(c) Describe any of the following events which have occurred during the past 10 years and which are material to an evaluation of the ability and integrity of any director or executive officer of the registrant:

[Subparagraphs (1)–(3) no changes.]

Instructions. 1. Instruction 2 to Item 8 shall also apply to this item.

2. If any event specified in paragraph (c) has occurred but information in regard thereto is omitted on the ground that it is not material, the registrant shall furnish, as supplemental information and not as a part of this report, a description of the event, and a statement of the reasons for the omission of information in regard thereto.

The Commission has taken the foregoing action pursuant to the Securities Act of 1933, particularly sections 7, 10, 19(a) thereof and Schedule A thereunder, and the Securities Exchange Act of 1934, particularly sections 13(a), 15(d), and 23(a) thereof. All interested persons are invited to submit their views and comments on these proposals, in writing to Richard H. Rowe, Assistant Director, Division of Corporation Finance, Securities and Exchange Commission, Washington, D.C. 20549 on or before September 15, 1972. All communications with respect to the proposals should refer to File No. S7–449. All such comments will be available for public inspection.

(Secs. 7, 10, 19(a), 48 Stat. 78, 81, 85, secs. 205, 209, 48 Stat. 906, 908, sec. 8, 68 Stat. 685, 15 U.S.C. 77g, 77j, 77s; secs. 13(a), 15(d), 23(a), 48 Stat. 894, 895, 901, secs. 203(a), 8, 49 Stat. 704, 1379, secs. 4, 6, 78 Stat. 569, 570–574, 15 U.S.C. 78m(a), 78o(d), 78w(a))

By the Commission,

[SEAL] RONALD F. HUNT, *Secretary.*

JULY 26, 1972.

[FR Doc.72-12445 Filed 8-8-72;8:48 am]

[17 CFR Parts 240, 249]

[Release No. 34-9673]

COMPANIES IN PROMOTIONAL OR DEVELOPMENT STAGES

Financial Reports

Notice is hereby given that the Securities and Exchange Commission has under consideration certain amendments to Rules 13a–13 and 15d–13 [17 CFR 240.13a–13, 240.15d–13] and Form 10–Q [17 CFR 249.308a] under the Securities and Exchange Act of 1934 (Exchange Act). This is one of a series of proposals to make available more meaningful information to public investors and also to further integrate the disclosure provisions of the Securities Act of 1933 applicable to public offerings with the periodic disclosure provisions of the Exchange Act.

Testimony by venture capitalists and underwriters in connection with the Commission's study of hot issues markets has disclosed that current financial information of companies in the promotional or development stage is of material importance, since even day to day business events such as the signing of a contract, receipt of an order, or the closing of an office may have significant impact on the financial condition of the company. Consequently, Rules 13a–13 and 15d–13 are proposed to be amended to delete part of subparagraph (b)(5) which presently exempts such companies from filing quarterly reports on Form 10–Q. The exemption for certain mining companies in the promotional or development stage would remain.

In accordance with the foregoing, Form 10–Q would be amended to provide that companies in the promotional or development stage would be required to submit financial statements required by Rules 5A–02, 5A–03, 5A–04, 5A–05, and

5A–06 of Regulation S–X [17 CFR 210.5a–02, 210.5a–03, 210.5a–04, 210.5a–05, and 210.5a–06] in lieu of those called for by Parts A and B of the form:

Form 10–Q would also be amended to require that those companies which would be required to file budget information pursuant to other proposals (see Release 33–5276) (37 F.R. 16016) update such information and explain any material variances from that data previously reported.

The text of the proposed changes is as follows:

I. Sections 240.13a–13 and 240.15d–13 of Chapter II of Title 17 of the Code of Federal Regulations would be amended as indicated below.

A. Subparagraph 5 of § 240.13a–13(b) would be amended to delete the reference to paragraph (b) of § 210.5a–01 therein and as so amended would read as follows:

§ 240.13–13 Quarterly reports on Form 10–Q (§ 249.308a of this chapter).

* * * * *

(b) Quarterly reports on Form 10–Q need not be filed by the following issuers: * * *

(5) Companies in the promotional or development stage to which paragraph (c) of Rule 5A–01 of Article 5A of Regulation S–X is applicable.

* * * * *

B. Subparagraph 5 of § 240.15d–13(b) would be amended to delete the reference to paragraph (b) of § 210.5a–01 therein and as so amended would read as follows:

§ 240.15d–13 Quarterly reports on Form 10–Q (§ 249.308a of this chapter).

* * * * *

(b) Quarterly reports on Form 10–Q need not be filed by the following issuers: * * *

(5) Companies in the promotional or development stage to which paragraph (c) of Rule 5A–01 of Article 5A of Regulation S–X is applicable.

* * * * *

II. Form 10–Q would be amended as follows:

A. Instruction H, paragraph (a) to the form would be amended to add the following paragraph:

Where a company is in the promotional or developmental stage to which paragraph (b) of Rule 5A–01 of Article 5A of Regulation S–X is applicable, the information specified in Rules 5A–02, 5A–03, 5A–04, 5A–05, and 5A–06 shall be furnished for the above periods in lieu of the information called for by parts A and B below.

B. The second proposal relating to Form 10–Q would amend the form to include the following section:

(D) Budget Information

Where a company (including predecessors) has included a budget of anticipated cash expenditures and resources in a registration statement filed under the Securities Act of 1933 or in a Form 10 Registration Statement filed under the Securities Act of 1934, the registrant shall also include in reports on this form filed for quarters during each of the 2 fiscal years after the last full fiscal year for which financial statements were filed on Form 10 or in its registration statement under the Securities Act of 1933, the budget information as originally estimated for the applicable period, the actual expenditures incurred, the amount of the variance between the estimated and actual expenses and an explanation of the factors resulting in material variance on any particular category of expense. In addition, a budget of estimated cash expenditures and resources for the remainder of the fiscal year following the period covered by the report shall be presented in the same detail as that presented in the original registration form. All assumptions on which the projected budget is based should be explained, including sources of estimated funds, and it should be indicated that these estimates of management are based on their judgment and appropriate caveats as to the reliability of such estimates including estimates of cash resources should be provided.

The Commission has taken the foregoing action pursuant to the Securities Act of 1934, particularly sections 13(a), 15(d), and 23(a) thereof. All interested persons are invited to submit their views and comments on the above proposals in writing to Richard H. Rowe, Assistant Director, Division of Corporation Finance, Securities and Exchange Commission, Washington, D.C. 20549, on or before September 15, 1972. All communications with respect to the proposal should refer to File No. S7–446. All such communications will be available for public inspection.

(Secs. 13(a), 15(d), 23(a), 48 Stat. 894, 895, 901, secs. 203(a), 8, 49 Stat. 704, 1379, secs. 4, 6, 78 Stat. 569, 570–574, 15 U.S.C. 78m(a), 78o(d), 78w(a))

By the Commission.

[SEAL] RONALD F. HUNT, *Secretary.*

JULY 26, 1972.

[FR Doc. 72–12449 Filed 8–8–72;8:48 am]

Notices

DEPARTMENT OF THE TREASURY

Internal Revenue Service

[Cost of Living Council Ruling 1972-97]

EFFECTIVE CONTROL

Cost of Living Council Ruling

Facts. P Corporation owns 45 percent of the stock of S Corporation, the remaining stock being held by numerous other persons, and nominees of P presently constitute a majority of the Board of Directors of S Corporation. On the basis of these facts, the Securities and Exchange Commission has ruled that S Corporation must specify in its proxy solicitation and other shareholder information that it is controlled by P Corporation.

Issue. Is the S Corporation considered to be controlled by the P Corporation for purposes of the reporting classifications of the Economic Stabilization Regulations?

Ruling. The S Corporation is considered to be controlled by the P Corporation, and its sales must be added to those of the P Corporation in determining the reporting category into which the P Corporation falls.

The Economic Stabilization Regulations provide that firms with annual sales and revenues from $50 million to $100 million are generally price category II or "reporting" firms and those with annual sales and revenues of $100 million or more are price category I or "prenotification" firms; 6 CFR 101.11 and 101.13 (1972). Firms with annual sales and revenues of less than $50 million generally need not report or prenotify: 6 CFR 101.15 (1972). A "firm" includes a corporation and also includes any entity that is part of or is directly or indirectly controlled by the firm; 6 CFR 101.2 (1972).

Although the P Corporation owns less than 50 percent of the stock of S Corporation, it is clear from the above provisions that stock ownership is not the exclusive standard by which control is determined. "Whether or not one firm controls another is a question of fact." Cost of Living Council Ruling 1972-51 (Price Commission Ruling 1972-179), 37 F.R. 10962 (1972). "Among other things, ownership of more than (a) 50 percent (stock) interest meets the test of control." Cost of Living Council Ruling 1972-51.

One of the "other things" upon which a finding of "control" will be based is ownership of a sufficient interest in a corporation or other entity to dictate the pricing policies of that entity. On the basis of these facts, ownership of 45 percent of the stock of S Corporation, while the remaining 55 percent of the stock is dispersed has enabled P Corporation to have so many of its nominees elected to the Board of Directors of S that they constitute a majority. Moreover, the reality of their control has been recognized by the Securities and Exchange Commission in its evaluation of S Corporation's proxy materials.

Therefore, for purposes of determining its reporting obligations under the Economic Stabilization Program, Corporation P must include the annual sales and revenues of S corporation in its own annual sales and revenues.

This ruling has been approved by the General Counsel of the Cost of Living Council.

Dated: August 3, 1972.

LEE H. HENKEL, Jr.,
Chief Counsel,
Internal Revenue Service.

Approved: August 3, 1972.

SAMUEL R. PIERCE, Jr.,
General Counsel,
Department of the Treasury.

[FR Doc.72-12453 Filed 8-8-72;8:48 am]

[Cost of Living Council Ruling 1972-93]

ATTRIBUTION OF INDIRECT INTERESTS IN RENTAL UNITS

Cost of Living Council Ruling

Facts. A owns four single-family dwelling units which he leases as residences to others. A's wife, B, is the sole beneficiary of a testamentary trust which owns four other single-family dwelling units which it also leases as residences.

Issue. Which of the above units are exempt from the Economic Stabilization Regulations?

Ruling. The four units owned by A are not exempt; the four units owned by the testamentary trust of which B is the sole beneficiary are exempt.

The Economic Stabilization Regulations exempt single-family dwelling units and rental units in multifamily dwellings, provided the owner of such units and members of his family (as defined in section 318 of the Internal Revenue Code of 1954, as amended) do not own or have an interest, directly or indirectly, in more than an aggregate of four such rental units; 6 CFR 101.33(a)(2)(iv) (1972).

As sole beneficiary of a trust which owns four rental units, B has an indirect interest in those four rental units. A directly owns four rental units. Since B is a member of A's family (as defined in section 318 of the Internal Revenue Code of 1954, as amended), the units in which she has an indirect interest must be added to the units which A owns directly in order to determine whether A's units are exempt. Since the number of units which A owns directly, plus the number of those in which A's wife has an indirect interest, exceeds four, the units owned by A are not exempt.

Since the trust does not own or have an interest, directly or indirectly, in more than an aggregate of four such rental units, and since no persons can be related to a legal person, such as a trust or an estate, so as to be a "member of the family" of the trust or estate (as defined in section 318 of the Internal Revenue Code of 1954, as amended), those rental units owned by the trust are exempt.

This ruling has been approved by the General Counsel of the Costs of Living Council.

Dated: August 3, 1972.

LEE H. HENKEL, Jr.,
Chief Counsel,
Internal Revenue Service.

Approved: August 3, 1972.

SAMUEL R. PIERCE, Jr.,
General Counsel,
Department of the Treasury.

[FR Doc.72-12454 Filed 8-8-72;8:48 am]

[Cost of Living Council Ruling 1972-99]

ANNUAL SALES AND REVENUES—FOREIGN SUBSIDIARY

Cost of Living Council Ruling

Facts. P is a manufacturing corporation. P also controls two foreign subsidaries A and B. P, A, and B are classified in the same two-digit classification of the Standard Industrial Classification Code. Each corporation maintains separate balance sheets and prepares separate financial statements. Thirty percent (30 percent) of the gross receipts of A are derived from transactions with foreign firms. Seventy percent (70 percent) of the gross receipts of B are derived from transactions with foreign firms.

Issue. Whether the gross receipts of A or B are included in the annual sales or revenues of P for purposes of determining P's price category?

Ruling. The annual revenues of P should include the gross receipts of A but not the gross receipts of B.

Section 101.2 defines "annual sales or revenues" as the total gross receipts of a firm during its most recent fiscal year from whatever source derived, except that it does not include gross receipts of or from a wholly or partially owned foreign entity such as a subsidiary, if the gross receipts of such foreign entity are derived primarily from transactions with other foreign firms. Economic Stabilization Regulations, § 101.2, 37 F.R. 14753 (1972). Since annual revenues include the total gross receipts of the firm

whatever source derived, the gross receipts of any subsidiary are included in the total unless expressly excluded by the definition. The only gross receipts excluded are gross receipts from foreign subsidiaries which derive their revenue primarily from transactions with foreign firms. For the purposes of the Economic Stabilization Regulations "primarily" means more than half of the gross receipts of the foreign subsidiary. Thus, in the present case, the gross receipts of subsidiary A are not excluded from the annual revenues of P, whereas the gross receipts of subsidiary B are excluded from the annual revenues of P.

This ruling has been approved by the General Counsel of the Cost of Living Council.

LEE H. HENKEL, Jr.,
Chief Counsel,
Internal Revenue Service.

Approved: August 3, 1972.

SAMUEL R. PIERCE, Jr.,
General Counsel,
Department of the Treasury.

[FR Doc.72-12455 Filed 8-8-72;8:48 am]

DEPARTMENT OF THE INTERIOR

National Park Service

[Order 1]

MANAGEMENT ASSISTANT

Delegation of Authority

Section 1. *Management Assistant.* The Management Assistant may execute and approve contracts not in excess of $2,000 for supplies, equipment, or services in conformity with applicable regulations and statutory authority and subject to availability of appropriated funds. This authority may be exercised by the Management Assistant in behalf of any area administered by the Director, Florida-Caribbean District.

Section 2. *Redelegation.* The authority delegated in this Order No. 1 may not be redelegated.

(National Park Service Order No. 66 (36 F.R. 21218), as amended (37 F.R. 4001); Southeast Region Order No. 5 (37 F.R. 7721).

Dated: June 1, 1972.

JOE BROWN,
Director.

[FR Doc.72-12420 Filed 8-8-72;8:46 am]

Office of the Secretary

[DES 72-79]

SAN JUAN GENERATING STATION, COAL MINE, AND TRANSMISSION LINES

Notice of Availability of Draft Environmental Statement

Pursuant to section 102(2)(C) of the National Environmental Policy Act of 1969, the Department of the Interior has prepared a draft environmental statement on the San Juan Generating Station, Coal Mine, and Transmission Lines. The generating station is under construction by Public Service Co. of New Mexico and Tucson Gas and Electric Co. in San Juan County, N. Mex.

Copies are available for inspection at the following locations:

Office of Communications, Room 7220, Department of the Interior, Washington, D.C. 20240, Telephone (202) 343-9247

Office of Ecology, Room 7620, Bureau of Reclamation, Department of the Interior, Washington, D.C. 20240, Telephone (202) 343-4991

Publication Section, General Services Branch, E. & R. Center, Denver Federal Center, Denver, Colo. 80225, Telephone (303) 233-6756

Office of the Regional Director, Bureau of Reclamation, Post Office Box 11568, Salt Lake City, UT 84111, Telephone (801) 524-5402

Single copies of the draft statement may be obtained on request to the Commissioner of Reclamation or the Regional Director. In addition, copies may be purchased from the National Technical Information Service, Department of Commerce, Springfield, Va. 22151. Please refer to the statement number above. Written comments must be offered to the Regional Director, Bureau of Reclamation, Salt Lake City, Utah, within 45 days following the date of this notice.

Dated: August 3, 1972.

W. W. LYONS,
Deputy Assistant
Secretary of the Interior.

[FR Doc.72-12421 Filed 8-8-72;8:46 am]

DEPARTMENT OF AGRICULTURE

Packers and Stockyards Administration

[P. & S. Docket No. 291]

NASHVILLE UNION STOCK YARDS, INC.

Notice of Petition for Modification of Rate Order

Pursuant to the provisions of the Packers and Stockyards Act, 1921 (7 U.S.C. 181 et seq.), an order was issued on April 20, 1972 (31 A.D. 540) continuing into effect to and including April 30, 1973, an order issued on October 28, 1966 (25 A.D. 1245), authorizing assessment of the current temporary schedule of rates and charges.

By a petition filed on July 7, 1972, the respondent requested authority to modify the current temporary schedule of rates and charges as indicated below:

A. Amend section I in the present tariff to provide an increase in yardage charges per head as follows:

	Present	Proposed
	Per head	
Cattle, 300 pounds and over	$1.30	$1.40
Bulls, 600 pounds and over	1.80	1.90
Calves, 295 pounds or less	.65	.75
Reactors (tuberculosis or brucellosis)	1.80	1.90
Hogs	.35	.35
Boars, 200 pounds and over	.35	1.00
Sheep, lambs, goats, or kids	.30	.30

B. Amend section XI of the present tariff to provide an increase in the resale or reweighing charges per head as follows:

	Present	Proposed
	Per head	
Cattle, 300 pounds and over	$1.30	$1.40
Bulls, 600 pounds and over	1.80	1.90
Calves, 295 pounds or less	.65	.75
Reactors (tuberculosis or brucellosis)	1.80	1.90
Hogs	.35	.35
Boars, 200 pounds and over	.35	1.00
Sheep, lambs, goats, or kids	.30	.30

The modifications, if authorized, will produce additional revenue for the respondent and increase the cost of marketing livestock. Accordingly, it appears that this public notice of the filing of the petition and its contents should be given in order that all interested persons may have an opportunity to indicate a desire to be heard in the matter.

All interested persons who desire to be heard in the matter shall notify the Hearing Clerk, U.S. Department of Agriculture, Washington, D.C. 20250, within 15 days after the publication of this notice in the FEDERAL REGISTER.

Done at Washington, D.C., this 3d day of August 1972.

MARVIN L. MCLAIN,
Administrator, Packers
and Stockyards Administration.

[FR Doc.72-12437 Filed 8-8-72;8:48 am]

[P. & S. Docket No. 1211]

ST. PAUL UNION STOCKYARDS

Notice of Petition for Modification of Rate Order

Preamble. St. Paul Union Stockyards has requested permission to increase certain stockyard rates. This notice informs the public of the request and also of the time and means for the public to be heard in this matter.

Pursuant to the provisions of the Packers and Stockyards Act, 1921 (7 U.S.C. 181 et seq.), an order was issued on November 29, 1971 (30 A.D. 1687), authorizing the respondent, St. Paul Union Stockyards, St. Paul, Minn., a division of United Stockyards Corp., to assess the current temporary schedule of rates and charges to and including June 30, 1972, which order, by orders issued June 21, 1972, and July 25, 1972, was extended to and including August 28, 1972, unless modified or extended by further order before August 28, 1972.

On May 25, 1972, a petition was filed on behalf of the respondent requesting authority to modify, at the earliest possible date, the current temporary schedule of rates and charges as indicated below.

A. Armed Item 1 in the present tariff to provide an increase in basic yardage charges per head as follows:

	Present	Proposed
Cattle (except bulls 700 lbs. or over)	$1.60	$1.70
Bulls (minimum 700 lbs.)	2.30	3.00
Calves (400 lbs. or under)	1.10	1.10
Hogs	.60	.65
Sheep	.35	.35

B. Amend Item 2 of the present tariff to provide an increase in the resale or reweighing of livestock subsequent to receipt and initial sale and/or weighing:

	Column 1[1]	Column 2[2]	Column 3[3]
Cattle (except bulls 700 lbs. or over)	$1.70		
Bulls (700 lbs. or over)	3.00		
Cattle (including bulls)		$0.45	$0.20
Calves (400 lbs. or under)	1.10	.30	.15
Hogs	.65	.15	.10
Sheep	.35	.10	.05

[1] Column 1—On resales in the commission division.
[2] Column 2—On reweighs and/or resales by dealers to buyers on the market (other than resales by a commission firm). When livestock is purchased by a stocker and feeder dealer from another stocker and feeder dealer for the purpose of filling out a shipment sold to be shipped off the market, the charges prescribed in Column 3 shal be applicable to both resales if the livestock is not reweighed.
[3] Column 3—On reweighs and/or resales for shipment from these yards (off the market—other than resales by commission firm).

C. Amend Item 3 of the present tariff on direct shipment to packers and slaughterers at South St. Paul and not offered for sale as follows:

3 Direct Delivery	Charges on direct shipment to packers and slaughterers at South St. Paul will be as follows:	Per head
Cattle (except bulls 700 lbs. or over)		$0.85
Bulls (700 lbs. or over)		1.50
Calves (400 lbs. or under)		.43
Hogs		.32
Sheep		.18

D. Amend Rule 2 of rules and regulations of St. Paul Union Stockyards as follows:

2. The term "Yardage is used in this schedule to describe the basic facilities and services furnished by the Company in connection with livestock received at this stockyard for sale, viz.:

Facilities. The use of suitable facilities for the safe and expeditious receiving, handling, feeding, watering, holding, sorting, selling, buying, weighing, delivery, and shipment of livestock, excepting railroad chutes and chute pens.

Services. The services necessary and incident to the receiving of livestock at the place of unloading;

The furnishing of receipts for livestock to the truck carrier or consignor upon request;

The delivery of livestock to the consignee, as follows: (1) Hogs: To bedded pens or sales pens assigned to the consignee; (2) All other livestock: to sales pens assigned to the consignee;

The furnishing of sufficient potable water for livestock;

The services necessary and incidental to identifying and sorting livestock which arrives in a single truck load consigned to more than one commission firm;

(C) The removal of livestock from the offside of the scales after weighing and delivery to a holding pen.

The holding of livestock for a reasonable time pending delivery or shipment to buyers at the holding pens;

The delivery of livestock to buyers at the holding pens and

The obtaining of receipts for livestock delivered to buyers.

This Company will, when reasonably required by consignors, market agencies, dealers, packers, buyers, or other users of stockyards services, provide and furnish special facilities and services in addition to the basic facilities and services described as "Yardage"; and will assess and collect from such users a reasonable charge for such special facilities and services, in addition to the basic yardage charges.

The modifications, if authorized, will produce additional revenue for the respondent and increase the cost of marketing livestock. Accordingly, it appears that this public notice of the filing of the petition and its contents should be given in order that all interested persons may have an opportunity to indicate a desire to be heard in the matter.

(C) The amendment to this Item is for clarification purposes. The change in wording does not result in an increase in rates and charges.

All interested persons who desire to be heard in the matter shall notify the Hearing Clerk, U.S. Department of Agriculture, Washington, D.C. 20250, within 15 days after publication of this notice in the FEDERAL REGISTER.

Done at Washington, D.C. this 3d day of August 1972.

MARVIN L. MCLAIN,
Administrator, Packers and Stockyards Administration.

[FR Doc.72-12438 Filed 8-8-72;8:48 am]

DEPARTMENT OF COMMERCE

Maritime Administration

[Docket No. S-289]

TYLER TANKER CORP., ET AL.

Notice of Application

The Notice of Application regarding Tyler Tanker Corp., et al. which appeared in the FEDERAL REGISTER issue of June 27, 1972 (37 F.R. 12646), identified as Docket No. 285, is hereby withdrawn, amended and reissued as Docket No. S-289 to read as follows:

Notice is hereby given that Tyler Tanker Corp., a Delaware corporation, Polk Tanker Corp., a Delaware corporation, and Langfitt Shipping Corp., a New York corporation (each of which corporations has its principal office located at One Chase Manhattan Plaza, New York, N.Y. 10005), have filed applications with the Maritime Subsidy Board (the Board) pursuant to the Merchant Marine Act, 1936, as amended (the Act) for operating-differential subsidy with respect to three proposed new tankers of 225,000 dead-weight tons each, to be operated in the carriage of liquid bulk cargoes in worldwide service in the foreign commerce of the United States.

Any party having an interest in such applications and who would contest a finding of the Board that the service now provided by vessels of United States registry for the worldwide carriage of liquid bulk cargo moving in the foreign commerce of the United States, or in any particular trade in the foreign commerce of the United States, is inadequate, must on or before August 28, 1972, notify the Secretary of the Board in writing of his interest and of his position and file a petition for leave to intervene in accordance with the Board's rules of practice and procedure (46 CFR Part 201). Each such statement of interest and petition to intervene shall state whether a hearing is requested under section 605(c) of the Merchant Marine Act, 1936, as amended, and with as much specificity as possible the facts that the intervenor would undertake to prove at such hearing.

In the event that a section 605(c) hearing is ordered to be held, the purpose of such hearing will be to receive evidence relevant to whether the service already provided by vessels of U.S. registry for the worldwide carriage of liquid bulk cargo moving in the foreign commerce of the United States, or in any particular trade in the foreign commerce of the United States, is inadequate; and whether in the accomplishment of the purposes and policy of the Act additional vessels should be operated thereon.

If no request for hearing and petition for leave to intervene is received within the specified time, or if the Maritime Subsidy Board determines that petitions for leave to intervene filed within the specified time do not demonstrate sufficient interest to warrant a hearing, the Maritime Subsidy Board will take such action as may be deemed appropriate.

Dated: August 4, 1972.

By order of the Maritime Subsidy Board.

JAMES S. DAWSON, Jr.
Secretary.

[FR Doc.72-12471 Filed 8-8-72;8:50 am]

Office of Import Programs

BOYCE THOMPSON INSTITUTE FOR PLANT RESEARCH AND LOUISIANA STATE UNIVERSITY

Notice of Consolidated Decision on Applications for Duty-Free Entry of Scientific Articles

The following is a consolidated decision on applications for duty-free entry of scientific articles pursuant to section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Public Law 89-651, 80 Stat. 897).

and the regulations issued thereunder as amended (37 F.R. 3892 et seq.).

A copy of the record pertaining to each of the applications in this consolidated decision is available for public review during ordinary business hours of the Department of Commerce, at the Special Import Programs Division, Office of Import Programs, Department of Commerce, Washington, D.C.

Decision: Applications denied. Applicants have failed to establish that instruments or apparatus of equivalent scientific value to the foreign articles, for such purposes as the foreign articles are intended to be used, are not being manufactured in the United States.

Reasons: Section 701.8 of the regulations provides in pertinent part:

> The applicant shall on or before the 20th day following the date of such notice, inform the Deputy Assistant Secretary whether it intends to resubmit another application for the same article for the same intended purposes to which the denied application relates. The applicant shall then resubmit the new application on or before the 90th day following the date of the notice of denial without prejudice to resubmission, unless an extension of time is granted by the Deputy Assistant Secretary in writing prior to the expiration of the 90-day period. * * * If the applicant fails, within the applicable time periods specified above, to either (a) inform the Deputy Assistant Secretary whether it intends to resubmit another application for the same article to which the denial without prejudice to resubmission relates, or (b) resubmit the new application, the prior denial without prejudice to resubmission shall have the effect of a final decision by the Deputy Assistant Secretary on the application within the context of § 701.11.

The meaning of the subsection is that should an applicant either fail to notify the Deputy Assistant Secretary of its intent to resubmit another application for the same article to which the denial without prejudice relates within the 20-day period, or fails to resubmit a new application within the 90-day period, the prior denial without prejudice to resubmission will have the effect of a final denial of the application.

None of the applicants to which this consolidated decision relates has satisfied the requirements set forth above, therefore, the prior denials without prejudice have the effect of a final decision denying their respective applications.

Section 701.8 further provides:

> * * * the Deputy Assistant Secretary shall transmit a summary of the prior denial without prejudice to resubmission to the FEDERAL REGISTER for publication, to the Commissioner of Customs, and to the applicant.

Each of the prior denials without prejudice to resubmission to which this consolidated decision relates was based on the failure of the respective applicants to submit the required documentation, including a completely executed application form, in sufficient detail to allow the issue of "scientific equivalency" to be determined by the Deputy Assistant Secretary.

Docket No. 70-00445-01-77030. Applicant: Boyce Thompson Institute for Plant Research, 1086 North Broadway, Yonkers, NY 10701. Article: NMR Spectrometer, Model JNM-C-60HL. Date of denial without prejudice to resubmission: April 17, 1972.

Docket No. 72-00343-33-43780. Applicant: Louisiana State University, 1542 Tulane Avenue, New Orleans, LA 70112. Article: Biliary Cannulae (Medical Apparatus). Date of denial without prejudice to resubmission: April 17, 1972.

SETH M. BODNER,
Director,
Office of Import Programs.

[FR Doc.72-12488 Filed 8-8-72;8:52 am]

Office of the Secretary

[Dept. Org. Order 20-9]

OFFICE OF PUBLICATIONS

Organization and Functions

This order effective July 27, 1972, supersedes the material appearing at 34 F.R. 18189-18190 of November 13, 1969.

SECTION 1. *Purpose.* This order prescribes the functions and organization of the Office of Publications.

SEC. 2. *Status and line of authority.* The Office of Publications, a departmental office, shall be headed by a Director, who shall report and be responsible to the Assistant Secretary for Administration.

SEC. 3. *Functions.* .01 Pursuant to the authority vested in the Assistant Secretary for Administration by Department Organization Order 10-5 and subject to such policies and directives as the Assistant Secretary for Administration shall prescribe, the Office of Publications shall provide publications, printing (both conventional and microform), and related services to organizations of the Department. To carry out this responsibility, it shall perform the following functions:

a. Formulate policies on publishing, develop standards for the design and style of publications, and advise officials of the Department on these matters.

b. Provide printing and publications management services for organizations of the Department, which shall consist of performing design, graphics, and photographic services, determining the method of printing for particular publications, operating a central printing plant and a central micrographic service, managing the Working Capital Fund for printing and related activities, procuring all printing and related work, performing or overseeing publications mailing services, and undertaking sales promotion programs.

c. Review proposed and existing publications, including their pricing and distribution, and recommend elimination, consolidation, or other appropriate changes.

d. Conduct or coordinate, on behalf of all elements of the Department, all contacts with the Joint Committee on Printing and with the Government Printing Office, including the Superintendent of Documents.

e. Review for approval all requests of elements of the Department for the purchase or rental of printing (conventional or microform), binding and related equipment.

.02 The publications, printing and related functions of the Office of Publications shall be construed to apply to all publications originally produced by elements of the Department and to all requisitions for printing from any organization of the Department.

SEC. 4. *Specified authority.* In addition to the authority implicit in and essential to carrying out the functions assigned the Office and related to the exercise of such functions, the Director, Office of Publications is hereby expressly delegated the authority to:

a. Approve or disapprove prices proposed by organizations of the Department for the sale of Commerce publications which are not sold through the Superintendent of Documents, except that the authority shall not apply to publications sold by the National Technical Information Service.

b. Determine for the Secretary whether the publication of a proposed periodical is necessary in the transaction of the public business required by law of the Department of Commerce and when the Director so determines, certify to its necessity as required by OMB Circular A-3; and submit over his signature requests to OMB for approval of any new or continuing periodical of the Department, as further required by OMB Circular A-3.

SEC. 5. *Organization.* Under the direction and supervision of the Director, the functions of the Office shall be organized and carried out as provided below.

.01 "Office of Director." The Director shall be the advisor to and serve as the representative of the Assistant Secretary for Administration on publishing, printing, and related activities. In managing the Office, the Director shall be principally assisted by:

a. A "Deputy Director" who shall be the chief operating aide to the Director and shall perform the functions of the Director during the latter's absence.

b. An "Associate Director for Program Analysis" who shall be the principal staff aide to the Director and Deputy Director.

.02 The "Program Analysis and Support Staff" shall plan and direct the financial control operations related to the Department's central printing plant; develop guidelines for cost controls for all printing, binding and related activities; review and evaluate costs of printing, binding; and related activities and develop uniform price schedules; and prepare required reports relating to the printing activities of the Office of Publications.

.03 The "Publications Standards and Development Division" shall review requests for new Commerce publications against policies and standards of the Department; advise organizations concerning publication possibilities; analyze the desirability of consolidation or elimination of existing publications; provide

specialized guidance and editorial assistance to organizations of the Department on publications projects; review all publications material for conformance to publications policies and standards; and direct the Department's publications mailing and sales promotion programs.

.04 The "Design and Graphics Division" shall provide central design, illustration, photographic, and graphic services and prepare or procure the necessary design, illustration, photographic, and art work for all publications.

.05 The "Printing Division" shall procure or approve for procurement all composition, printing, and binding and related services for all organizations of the Department; control and schedule all printing operations; operate the Department's central printing plant including addressing and mailing services; and investigate and analyze new printing methods.

.06 The "Micrographic Division" shall operate the Department's central microform and related reproduction services facility.

Delegation of authority in section 4, paragraph b. of this order is approved.

Date of issuance and effective date: July 27, 1972.

GUY W. CHAMBERLIN, Jr.,
Acting Assistant Secretary for Administration.

[FR Doc.72-12477 Filed 8-8-72;8:50 am]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Food and Drug Administration

OVER-THE-COUNTER COLD, COUGH, ALLERGY, BRONCHODILATOR, AND ANTIASTHMATIC DRUG PRODUCTS

Safety and Efficacy Review; Request for Data and Information

The FDA is undertaking a review of all over-the-counter (OTC) drug products currently marketed in the United States, to determine that these OTC products are safe and effective for their labeled indications. This review will utilize expert panels working with FDA personnel.

A notice outlining procedures for this review was published in the FEDERAL REGISTER of May 11, 1972 (37 F.R. 9464).

To facilitate this review and a determination as to whether an OTC drug for human use is generally recognized as safe and effective and not misbranded under its recommended conditions of use, and to provide all interested persons an opportunity to present for the consideration of the reviewing experts the best data and information available to support the stated claims for all dosage forms of cold, cough, allergy, bronchodilator, and antiasthmatic drug products, the administration invites submission of data, published and unpublished, and other information pertinent to all active ingredients utilized in such preparations.

FDA is aware that the following active ingredients are used in such products and has conducted a literature search on each of them.

Codeine phospate.
Dextromethorphan hydrobromide.
Phenylephrine hydrochloride.
Phenylpropanolamine hydrochloride.
Ephedrine (salts).
Pyrilamine maleate.
Chlorpheniramine maleate.
Methapyrilene (salts).
Chloroform.
Glyceryl guaiacolate.
Ammonium chloride.
Sodium citrate.
Menthol.
Potassium guaiacolsulfonate.
Terpin hydrate.
Phenobarbital.
Aminophylline.
Theophylline.
Epinephrine.
Epinephrine plus ascorbic acid.
Calcium Salicylate.

FDA's literature search on these ingredients covered the United States of America literature and other leading English language literature published since 1950 from the following sources:

Medlars (NLM and SUNY).
FDA Clinical Experience Abstracts.
Quarterly Cumulative Index Medicus.
Current List of Medical Literature.
Index Medicus.
JAMA Subject Index.
DeHaen Drugs in Use.
RINGDOC.
VETDOC.
International Pharmaceutical Abstracts.
Excerpta Medica.
Abstracts of World Medicine.
Biological Abstracts.
Chemical Abstracts.

Except for epinephrine, glyceryl guaiacolate, theophylline, phenobarbital, ephedrine, calcium salicylate, aminophylline, and epinephrine plus ascorbic acid as used in bronchodilators and antiasthmatics only a 5-year retrospective search was made covering Medlars (SUNY), FDA Clinical Experience Abstracts, RINGDOC, Excerpta Medica, DeHaen Drugs in Use, and International Pharmaceutical Abstracts, and review articles from the National Library of Medicine Bibliography of Medical Reviews and PharmIndex.

The bibliography of the literature search is available to interested persons.

Interested persons are also invited to submit data on any other active ingredients for cold, cough, allergy, bronchodilator, and antiasthmatic drugs.

To be considered, eight copies of the data and/or views must be submitted, preferably bound, indexed, and on standard size paper (approximately 8½ x 11 inches). All submissions must be in the format described below:

OTC Drug Review Information:

I. Label(s) and all labeling (preferably mounted and filed with the other data—facsimile labeling is acceptable in lieu of actual container labeling).

II. A statement setting forth the quantities of active ingredients of the drug.

III. Animal safety data.
A. Individual active components.
1. Controlled studies.
2. Partially controlled or uncontrolled studies.
B. Combinations of the individual active components.
1. Controlled studies.
2. Partially controlled or uncontrolled studies.
C. Finished drug product.
1. Controlled studies.
2. Partially controlled or uncontrolled studies.

IV. Human safety data.
A. Individual active components.
1. Controlled studies.
2. Partially controlled or uncontrolled studies.
3. Documented case reports.
4. Pertinent marketing experiences that may influence a determination as to the safety of each individual active component.
5. Pertinent medical and scientific literature.
B. Combinations of the individual active components.
1. Controlled studies.
2. Partially controlled or uncontrolled studies.
3. Documented case reports.
4. Pertinent marketing experiences that may influence a determination as to the safety of combinations of the individual active components.
5. Pertinent medical and scientific literature.
C. Finished drug product.
1. Controlled studies.
2. Partially controlled or uncontrolled studies.
3. Documented case reports.
4. Pertinent marketing experiences that may influence a determination as to the safety of the finished drug product.
5. Pertinent medical and scientific literature.

V. Efficacy data.
A. Individual active components.
1. Controlled studies.
2. Partially controlled or uncontrolled studies.
3. Documented case reports.
4. Pertinent marketing experiences that may influence a determination on the efficacy of each individual active component.
5. Pertinent medical and scientific literature.
B. Combinations of the individual active components.
1. Controlled studies.
2. Partially controlled or uncontrolled studies.
3. Documented case reports.
4. Pertinent marketing experiences that may influence a determination on the efficacy of combinations of the individual active components.
5. Pertinent medical and scientific literature.
C. Finished drug product.
1. Controlled studies.
2. Partially controlled or uncontrolled studies.
3. Documented case reports.

4. Pertinent marketing experiences that may influence a determination on the efficacy of the finished drug product.

5. Pertinent medical and scientific literature.

VI. A summary of the data and views setting forth the medical rationale and purpose (or lack thereof) for the drug and its ingredients and the scientific basis (or lack thereof) for the conclusion that the drug and its ingredients have been proven safe and effective for the intended use. If there is an absence of controlled studies in the material submitted, an explanation as to why such studies are not considered necessary must be included.

VII. If the submission is by a manufacturer, a statement signed by the person responsible for such submission, that to the best of his knowledge it includes all unfavorable information, as well as, any favorable information available to him pertinent to an evaluation of the safety, effectiveness, and labeling of such a product, including information derived from investigations, consumer complaints, commercial marketing, or published literature.

In order to avoid duplication, interested persons should not in their submission include published literature listed in the FDA literature search. An abstract of all such literature will be provided to the panel. Upon request the panel will be provided with the complete article. Interested persons may, of course, refer to such literature in their submissions by citation.

Submissions or requests for copies of the FDA literature search should be forwarded to:

Food and Drug Administration, Bureau of Drugs, OTC Drug Products Evaluation Staff (BD–109), 5600 Fishers Lane, Rockville, Md. 20852.

Submission of data must be within 60 days from date of this publication. (Federal Food, Drug, and Cosmetic Act, sec. 701; 21 U.S.C. 371.)

Dated: August 2, 1972.

SAM D. FINE,
Associate Commissioner for Compliance.

[FR Doc.72–12492 Filed 8–8–72;8:51 am]

DEPARTMENT OF TRANSPORTATION

Coast Guard

[CGD 72–144N]

EQUIPMENT, CONSTRUCTION, AND MATERIALS

Termination of Approval Notice

1. Certain laws and regulations (46 CFR Ch. I) require that various items of lifesaving, firefighting, and miscellaneous equipment, construction, and materials used on board vessels subject to Coast Guard inspection, on certain motorboats and other recreational vessels, and on the artificial islands and fixed structures on the Outer Continental Shelf be of types approved by the Commandant, U.S. Coast Guard. The purpose of this document is to notify all interested persons that certain approvals have been terminated as herein described during the period from June 8, 1972, to June 30, 1972 list No. 19–72). These actions were taken in accordance with the procedures set forth in 46 CFR 2.75–1 to 2.75–50.

2. The statutory authority for equipment, construction, and material approvals is generally set forth in sections 367, 375, 390b, 416, 481, 489, 526p, and 1333 of title 46, United States Code, section 1333 of title 43, United States Code, and section 198 of title 50, United States Code. The Secretary of Transportation has delegated authority to the Commandant, U.S. Coast Guard with respect to these approvals (49 CFR 1.46(b)). The specifications prescribed by the Commandant, U.S. Coast Guard for certain types of equipment, construction, and materials are set forth in 46 CFR Parts 160 to 164.

3. Notwithstanding the termination of approval listed in this document, the equipment affected may be used as long as it remains in good and serviceable condition.

LIFEBOAT WINCHES FOR MERCHANT VESSELS

The C. C. Galbraith & Son, Inc., Maple Place and Manchester Avenue, Post Office Box 185, Keyport, NJ 07735, Approval No. 160.015/58/1 expired and was terminated effective June 8, 1972.

LIFEBOATS

The C. C. Galbraith & Son, Inc., Maple Place and Manchester Avenue, Post Office Box 185, Keyport, NJ 07735, Approval No. 160.035/16/3 expired and was terminated effective June 30, 1972.

The C. C. Galbraith & Son, Inc., Maple Place and Manchester Avenue, Post Office Box 185, Keyport, NJ 07735, Approval No. 160.035/450/0 expired and was terminated effective June 8, 1972.

SPECIAL PURPOSE WATER SAFETY BUOYANT DEVICES FOR DESIGNATED USE ON ALL MOTORBOATS AND FOR GENERAL USE ON MOTORBOATS OF CLASSES A, 1, OR 2 NOT CARRYING PASSENGERS FOR HIRE

The Gentex Corp., Carbondale, Pa. 18407, no longer manufactures certain special purpose water safety buoyant devices and Approval No. 160.064/3/1 was therefore terminated effective June 1, 1972.

INCOMBUSTIBLE MATERIALS FOR MERCHANT VESSELS

The Johns-Manville Sales Corp., 22 East 40th Street, New York, NY 10016, no longer manufactures certain incombustible materials and Approval No. 164.009/132/0 was therefore terminated effective June 14, 1972.

Dated: August 4, 1972.

G. H. READ,
Captain, U.S. Coast Guard, Acting Chief, Office of Merchant Marine Safety.

[FR Doc.72–12480 Filed 8–8–72;8:51 am]

[CGD 72–145N]

EQUIPMENT, CONSTRUCTION, AND MATERIALS

Approval Notice

1. Certain laws and regulations (46 CFR Ch. I) require that various items of lifesaving, firefighting, and miscellaneous equipment, construction, and materials used on board vessels subject to Coast Guard inspection, on certain motorboats and other recreational vessels, and on the artificial islands and fixed structures on the Outer Continental Shelf be of types approved by the Commandant, U.S. Coast Guard. The purpose of this document is to notify all interested persons that certain approvals have been granted as herein described during the period from June 5, 1972, to June 9, 1972 (List No. 18–72). These actions were taken in accordance with the procedures set forth in 46 CFR 2.75–1 to 2.75–50.

2. The statutory authority for equipment, construction, and material approvals is generally set forth in sections 367, 375, 390b, 416, 481, 489, 526p, and 1333 of title 46, United States Code, section 1333 of title 43, United States Code, and section 198 of title 50, United States Code. The Secretary of Transportation has delegated authority to the Commandant, U.S. Coast Guard with respect to these approvals (49 CFR 1.46(b)). The specifications prescribed by the Commandant, U.S. Coast Guard for certain types of equipment, construction, and materials are set forth in 46 CFR Parts 160 to 164.

3. The approvals listed in this document shall be in effect for a period of 5 years from the date of issuance, unless sooner canceled or suspended by proper authority.

LIFEBOAT WINCHES FOR MERCHANT VESSELS

Approval No. 160.015/99/0, Carroll Type CW–75–M lifeboat winch; approval limited to merchanical components only, and for a maximum working load of 7,500 pounds pull at the drums (3,750 pounds per fall); identified by general arrangement drawings WWA–9014 and WWA–9015 dated May 9, 1972, and drawing list dated May 22, 1972, approval is limited for use with Carroll Type CG–150–P gravity davit (Approval 160.032/186/0), manufactured by Welin Davit & Boat Division, Lake Shore, Inc., Iron Mountain, Mich. 49801, effective June 3, 1972.

SEA ANCHORS, LIFEBOAT

Approval No. 160.019/11/0, Type JF lifeboat sea anchor, USCG dwg. No. MMI–562 and specification dated November 1, 1943, revised August 24, 1944, manufactured by Samuel Fassman Co., 2776 Atlantic Avenue, Brooklyn, NY 11207, effective June 5, 1972. (It is an extension of Approval No. 160.019/11/0 dated August 14, 1967.)

SIGNALS, DISTRESS, HAND RED FLARE, FOR MERCHANT VESSELS

Approval No. 160.021/12/1, Jupiter hand red flare distress signal, manufactured by Smith & Wesson Chemical Co.,

Inc., general arrangement dwg. No. 6–0150–B, revision B, dated December 23, 1971; parts and materials list No. 6–0150–B dated December 23, 1971, revision B, label dwg. No. 6–0152–A dated December 1, 1969, revision B is a change in handle design and striker, manufactured by Smith & Wesson Chemical Co., Inc., Post Office Box 208, 2399 Forman Road, Rock Creek, OH 44084, formerly Smith & Wesson Pyrotechnics, Inc., effective June 9, 1972. (It supersedes Approval No. 160.021/12/0, dated January 12, 1970 to show revisions and change of name and address of manufacturer.)

WATER, EMERGENCY DRINKING (IN HERMETICALLY SEALED CONTAINERS), FOR MERCHANT VESSELS

Approval No. 160.026/18/1, container for emergency drinking water, dwg. No. B–104 dated September 17, 1952, manufactured by H & M Packing Corp., 913 Ruberta Avenue, Glendale, CA 91201, effective June 5, 1972. (It is an extension of Approval No. 160.026/18/1 dated August 14, 1967.)

BUOYS, LIFE, RING, UNICELLULAR PLASTIC

Approval No. 160.050/17/3, 30-inch unicellular plastic ring lifebuoy, USCG Specification Subpart 160.050 and dwg. No. 12988, revision 6, dated July 28, 1965, dwg. No. 12988–A dated August 23, 1967, manufactured by Atlantic-Pacific Manufacturing Corp., 124 Atlantic Avenue, Brooklyn, NY 11201, effective June 5, 1972. (It is an extension of Approval No. 160.050/17/3 dated August 25, 1967.)

Approval No. 160.050/18/3, 24-inch unicellular plastic ring lifebuoy, USCG Specification Subpart 160.050 and dwg. No. 12988, revision 6, dated July 28, 1965, dwg. No. 12988–A dated August 23, 1967, manufactured by Atlantic-Pacific Manufacturing Corp., 124 Atlantic Avenue, Brooklyn, NY 11201, effective June 5, 1972. (It is an extension of Approval No. 160.050/18/3 dated August 25, 1967.)

Approval No. 160.050/19/3, 20-inch unicellular plastic ring lifebuoy, USCG Specification Subpart 160.050 and dwg. No. 12988, revision 6, dated July 28, 1965, dwg. No. 12988–A dated August 23, 1967, manufactured by Atlantic-Pacific Manufacturing Corp., 124 Atlantic Avenue, Brooklyn, NY 11201, effective June 5, 1972. (It is an extension of Approval No. 160.050/19/3 dated August 25, 1967.)

Approval No. 160.050/30/1, 30-inch unicellular plastic ring life buoy, USCG Specification Subpart 160.050 and dwg. No. 12874 revision 3 dated February 23, 1965, 2 sheets and dwg. No. 12874–A dated August 23, 1967, manufactured by Atlantic-Pacific Manufacturing Corp., 124 Atlantic Avenue, Brooklyn, NY 11201, effective June 5, 1972. (It is an extension of Approval No. 160.050/30/1 dated August 25, 1967.)

Approval No. 160.050/31/1, 24-inch unicellular plastic ring life buoy, USCG Specification Subpart 160.050 and dwg. No. 12874 revision 3 dated February 23, 1965, 2 sheets and dwg. No. 12874–A dated August 23, 1967, manufactured by Atlantic-Pacific Manufacturing Corp., 124 Atlantic Avenue, Brooklyn, NY 11201, effective June 5, 1972. (It is an extension of Approval No. 160.050/31/1 dated August 25, 1967.)

Approval No. 160.050/32/1, 20-inch unicellular plastic ring life buoy, USCG Specification Subpart 160.050 and dwg. No. 12874 revision 3 dated February 23, 1965, 2 sheets and dwg. No. 12874–A dated August 23, 1967, manufactured by Atlantic-Pacific Manufacturing Corp., 124 Atlantic Avenue, Brooklyn, NY 11201, effective June 5, 1972. (It is an extension of Approval No. 160.050/32/1 dated August 25, 1967.)

Approval No. 160.050/45/0, 30-inch unicellular plastic ring life buoy, USCG Specification Subpart 160.050 and dwg. No. 8400/3/67 dated March 20, 1967, dwg. No. 8400/3/67–A dated August 23, 1967, manufactured by Atlantic-Pacific Manufacturing Corp., 124 Atlantic Avenue, Brooklyn, NY 11201, effective June 5, 1972. (It is an extension of Approval No. 160. 050/45/0 dated August 25, 1967.)

Approval No. 160.050/46/0, 24-inch unicellular plastic ring life buoy, USCG Specification Subpart 160.050 and dwg. No. 8400/3/67 dated March 20, 1967, dwg. No. 8400/3/67–A dated August 23, 1967, manufactured by Atlantic-Pacific Manufacturing Corp., 124 Atlantic Avenue, Brooklyn, NY 11201, effective June 5, 1972. (It is an extension of Approval No. 160.050/46/0 dated August 25, 1967.)

Approval No. 160.050/47/0, 20-inch unicellular plastic ring life buoy, USCG Specification Subpart 160.050 and dwg. No. 8400/3/67 dated March 20, 1967, dwg. No. 8400/3/67–A dated August 23, 1967, manufactured by Atlantic-Pacific Manufacturing Corp., 124 Atlantic Avenue, Brooklyn, NY 11201, effective June 5, 1972. (It is an extension of Approval No. 160.050/47/0 dated August 25, 1967.)

BUOYANT VESTS, UNICELLULAR PLASTIC FOAM

NOTE: For motorboats of Classes A, 1, or 2 not carrying passengers for hire.

Approval No. 160.052/186/0, Type II, Model No. BBA, adult unicellular plastic foam buoyant vest with vinyl dip coating, dwg. Nos. 1 and 5 dated October 9, 1962, manufactured by Billy Boy Products, Inc., Quincy, Mich. 49082, effective June 5, 1972. (It is an extension of Approval No. 160.052/186/0 dated August 22, 1967.)

Approval No. 160.052/187/0, Type II, Model No. BBM, child medium unicellular plastic foam buoyant vest with vinyl dip coating, dwg. Nos. 2 and 5 dated October 9, 1962, manufactured by Billy Boy Products, Inc., Quincy, Mich. 49082, effective June 5, 1972. (It is an extension of Approval No. 160.052/187/0 dated August 22, 1967.)

Approval No. 160.052/188/0, Type II, Model No. BBC–1, child small unicellular plastic foam buoyant vest with vinyl dip coating, dwg. Nos. 3 and 5 dated October 9, 1962, manufactured by Billy Boy Products, Inc., Quincy, Mich. 49082, effective June 5, 1972. (It is an extension of Approval No. 160.052/188/0 dated August 22, 1967.)

Approval No. 160.052/189/0, Type II, Model No. BBC–2, child small unicellular plastic foam buoyant vest with vinyl dip coating, dwg. Nos. 4 and 5 dated October 9, 1962, manufactured by Billy Boy Products, Inc., Quincy, Mich. 49082, effective June 5, 1972. (It is an extension of Approval No. 160.052/189/0 dated August 22, 1967.)

LIFE PRESERVERS, UNICELLULAR PLASTIC FOAM ADULT AND CHILD FOR MERCHANT VESSELS

Approval No. 160.055/76/0, Type II, Model 8121–A, adult vinyl-dipped unicellular plastic foam life preserver, dwg. No. 21966 (Sheet 1) rev. 3 dated August 14, 1967, alternate formerly approved as solid front type which were previously Model No. 8121 Approval No. 160.055/20/1, manufactured by Atlantic-Pacific Manufacturing Corp., 124 Atlantic Avenue, Brooklyn, NY 11201, effective June 5, 1972. (It is an extension of Approval No. 160.055/76/0 dated August 21, 1967.)

Approval No. 160.055/77/0, Type II, Model No. 8122–A, child vinyl-dipped unicellular plastic foam life preserver, dwg. No. 21966 (Sheet 2) rev. 3 dated August 14, 1967, alternate formerly approved as solid front type which were previously Model No. 8122 Approval No. 160.055/21/1, manufactured by Atlantic-Pacific Manufacturing Corp., 124 Atlantic Avenue, Brooklyn, NY 11201, effective June 5, 1972. (It is an extension of Approval No. 160.055/77/0 dated August 21, 1967.)

Approval No. 160.055/78/0, Type II, Model No. 8123–A, adult molded vinyl-dipped unicellular plastic foam life preserver, dwg. No. 5648–D dated October 4, 1965, revision dated August 14, 1967, alternate formerly approved as solid front type which were previously Model No. 8123 Approval No. 160.055/22/0, manufactured by Atlantic-Pacific Manufacturing Corp., 124 Atlantic Avenue, Brooklyn, NY 11201, effective June 5, 1972. (It is an extension of Approval No. 160.055/78/0 dated August 21, 1967.)

SPECIAL PURPOSE WATER SAFETY BUOYANT DEVICES FOR DESIGNATED USE ON ALL MOTORBOATS AND FOR GENERAL USE ON MOTORBOATS OF CLASSES A, 1 OR 2 NOT CARRYING PASSENGERS FOR HIRE

Approval No. 160.064/35/0, adult, Model No. (S) 543 and 552, vinyl dipped unicellular plastic foam "Water Ski Vest", manufactured in accordance with USCG Specification Subpart 160.064 and UL/MD report file No. MQ 15, manufactured by Crawford Manufacturing Co., Inc., Third and Decatur Streets, Richmond, Va. 23212, effective June 8, 1972.

Approval No. 160.064/36/0, teen, Model No. (S) 544 and 553, vinyl dipped unicellular plastic foam "Water Ski Vest", manufactured in accordance with USCG Specification Subpart 160.064 and UL/MD report file No. MQ 15, manufactured by Crawford Manufacturing Co., Inc., Third and Decatur Streets, Richmond, Va. 23212, effective June 8, 1972.

Approval No. 160.064/102/0, child medium, Model No. L–CGJ–120, vinyl dipped unicellular plastic foam "Water Ski Vest", manufactured in accordance with

USCG Specification Subpart 160.064 and UL report file No. MQ 30, manufactured by Groendyk Manufacturing Co., Inc., Buchanan, Va. 24066, for Gladding-Style Crafters Division, White Horse Road, Greenville, S.C. 29605, effective June 8, 1972.

Approval No. 160.064/103/0, adult large, Model No. L–CGJ–100, vinyl dipped unicellular plastic foam "Water Ski Vest," manufactured in accordance with USCG Specification Subpart 160.064 and UL report file No. MQ 30, manufactured by Groendyk Manufacturing Co., Inc., Buchanan, Va. 24066, for Gladding-Style Crafters Division, White Horse Road, Greenville, S.C. 29605, effective June 8, 1972.

Approval No. 160.064/124/0, adult, Model No. (S) 759 and 563, cloth covered unicellular plastic foam "Yacht Vest," manufactured in accordance with USCG Specification Subpart 160.064 and UL/MD report file No. MQ 15, manufactured by Crawford Manufacturing Co., Inc., Third and Decatur Streets, Richmond, VA 23212, effective June 8, 1972.

Approval No. 160.064/151/0, child small, Model No. CGV–XS, vinyl dipped unicellular plastic foam "Ski and Sport Safety Jacket," manufactured in accordance with USCG Specification Subpart 160.064 and UL report file No. MQ 47, manufactured by Cut 'N' Jump Ski Corp., 11525 Sorrento Valley Road, San Diego, CA 92121, effective June 8, 1972.

Approval No. 160.064/152/0, child small, Model No. CGV–S/M, vinyl dipped unicellular plastic foam "Ski and Sport Safety Jacket," manufactured in accordance with USCG Specification Subpart 160.064 and UL report file No. MQ 47, manufactured by Cut 'N' Jump Ski Corp., 11525 Sorrento Valley Road, San Diego, CA 92121, effective June 8, 1972.

Approval No. 160.064/153/0, adult, Model No. CGV–M/L, vinyl dipped unicellular plastic foam "Ski and Sport Safety Jacket," manufactured in accordance with USCG Specification Subpart 160.064 and UL report file No. MQ 47, manufactured by Cut 'N' Jump Ski Corp., 11525 Sorrento Valley Road, San Diego, CA 92121, effective June 8, 1972.

Approval No. 160.064/154/0, adult, Model No. CGV–L/XL, vinyl dipped unicellular plastic foam "Ski and Sport Safety Jacket," manufactured in accordance with USCG Specification Subpart 160.064 and UL report file No. MQ 47, manufactured by Cut 'N' Jump Ski Corp., 11525 Sorrento Valley Road, San Diego, CA 92121, effective June 8, 1972.

Approval No. 160.064/187/0, child small, Model No. SV, vinyl dipped unicellular plastic foam "Swim Vest," manufactured in accordance with USCG Specification Subpart 160.064 and UL/MD report file No. MQ 15, manufactured by Crawford Manufacturing Co., Inc., Third and Decatur Streets, Richmond, VA 23212, effective June 8, 1972.

Approval No. 160.064/188/0, child medium, Model No. MV, vinyl dipped unicellular plastic foam "Swim Vest," manufactured in accordance with USCG Specification Subpart 160.064 and UL/MD report file No. MQ 15, manufactured by Crawford Manufacturing Co., Inc., Third and Decatur Streets, Richmond, VA 23212, effective June 8, 1972.

Approval No. 160.064/191/0, adult X-large, Model No. (S) 750–XJL and 562–XJL, cloth covered unicellular plastic foam "Yacht Vest," manufactured in accordance with USCG Specification Subpart 160.064 and UL/MD report file No. MQ 15, manufactured by Crawford Manufacturing Co., Inc., Third and Decatur Streets, Richmond, VA 23212, effective June 8, 1972.

Approval No. 160.064/192/0, adult medium, Model No. (S) 749–LJ and 556–LJ, cloth covered unicellular plastic foam "Yacht Vest," manufactured in accordance with USCG Specification Subpart 160.064 and UL/MD report file No. MQ 15, manufactured by Crawford Manufacturing Co., Inc., Third and Decatur Streets, Richmond, VA 23212, effective June 8, 1972.

Approval No. 160.064/193/0, child medium, Model No. (S) 748–MJ and 554–MJ, cloth covered unicellular plastic foam "Yacht Vest," manufactured in accordance with USCG Specification Subpart 160.064 and UL/MD report file No. MQ 15, manufactured by Crawford Manufacturing Co., Inc., Third and Decatur Streets, Richmond, VA 23212, effective June 8, 1972.

Approval No. 160.064/194/0, adult, Model No. ZV, cloth covered kapok "Buoyant Vest," manufactured in accordance with USCG Specification Subpart 160.064 and UL/MD report file No. MQ 15, manufactured by Crawford Manufacturing Co., Inc., Third and Decatur Streets, Richmond, VA 23212, effective June 8, 1972.

Approval No. 160.064/270/0, child medium, Model No. CGJ–700, vinyl dipped unicellular plastic foam "Water Ski Vest," manufactured in accordance with USCG Specification Subpart 160.064 and UL/MD report file No. MQ 18, Type III Device, manufactured by Cypress Gardens Skis, Inc., Hoover Road, Cypress Gardens, FL 33880, effective June 8, 1972.

Approval No. 160.064/271/0, adult medium, Model No. CGJ–700, vinyl dipped unicellular plastic foam "Water Ski Vest," manufactured in accordance with USCG Specification Subpart 160.064 and UL/MD report file No. MQ 18, Type III Device, manufactured by Cypress Gardens Skis, Inc., Hoover Road, Cypress Gardens, FL 33880, effective June 8, 1972.

Approval No. 160.064/272/0, adult large, Model No. CGJ–700, vinyl dipped unicellular plastic foam "Water Ski Vest," manufactured in accordance with USCG Specification Subpart 160.064 and UL/MD report file No. MQ 18, Type III Device, manufactured by Cypress Gardens Skis, Inc., Hoover Road, Cypress Gardens, FL 33880, effective June 8, 1972.

Approval No. 160.064/273/0, adult X-large, Model No. CGJ–700, vinyl dipped unicellular plastic foam "Water Ski Vest," manufactured in accordance with USCG Specification Subpart 160.064 and UL/MD report file No. MQ 18, Type III Device, manufactured by Cypress Gardens Skis, Inc., Hoover Road, Cypress Gardens, FL 33880, effective June 8, 1972.

FLAME ARRESTERS FOR TANK VESSELS

Approval No. 162.016/8/0, Figure No. 50, Varec flame arrester, aluminum body, aluminum multiple plate bank, vertical type, flanged connections, fitted with extensible banks and removable cover plate, dwg. No. C–746, Alt. A dated January 24, 1947, approved for 2½", 3", 4", 6", 8", 10", and 12" pipe sizes, for use with inflammable or combustible liquids of Grade A or lower, manufactured by Varec, Inc., 301 E. Alondra Boulevard, Gardena, CA 90247, effective June 6, 1972. (It is an extension of Approval No. 162.016/8/0 dated April 28, 1967 and change of address of manufacturer.)

Approval No. 162.016/9/0, Figure 50A, aluminum body, aluminum multiple plate bank, vertical type, flanged connections, fitted with extensible banks and removable cover plate, dwg. No. C–746, Alt. A dated January 24, 1947, approved for 2½", 3", 4", 6", 8", 10", and 12" pipe sizes, for use with inflammable or combustible liquids of Grade A or lower, manufactured by Varec, Inc., 301 E. Alondra Boulevard, Gardena, CA 90247, effective June 6, 1972. (It is an extension of Approval No. 162.016/9/0 dated April 28, 1967 and change of address of manufacturer.)

Approval No. 162.016/10/0, Figure No. 50ACU, Varec flame arrester, semi-steel body, copper multiple plate bank, vertical type, flanged connections, fitted with extensible banks and removable cover plate, dwg. No. C–746, Alt. A dated January 24, 1947, approved for 2½", 3", 4", 6", 8", 10", and 12" pipe sizes, for use with inflammable or combustible liquids of Grade A or lower manufactured by Varec, Inc., 301 E. Alondra Boulevard, Gardena, CA 90247, effective June 6, 1972. (It is an extension of Approval No. 162.016/10/0 dated April 28, 1967 and change of address of manufacturer.)

Approval No. 162.016/11/0, Figure No. 50ABCU, Varec flame arrester, semisteel body, copper multiple plate bank, vertical type, female pipe threaded connections, fitted with extensible banks and removable cover plate, dwg. No. C–746, Alt. A dated January 24, 1947, approved for 2½", 3", 4", 6", 8", 10", and 12" pipe sizes, for use with inflammable or combustible liquids of Grade A or lower manufactured by Varec, Inc., 301 East Alondra Boulevard, Gardena, CA 90247, effective June 6, 1972. (It is an extension of Approval No. 162.016/11/0 dated April 28, 1967 and change of address of manufacturer.)

Approval No. 162.016/12/0, Figure No. 50ACCU, Varec flame arrester, semisteel body, copper multiple plate bank, vertical type, flanged and screwed connections, fitted with extensible banks and removable cover plate, dwg. No. C–746, Alt. A dated January 24, 1947, approved for 2½", 3", 4", 6", 8", 10", and 12" pipe sizes, for use with inflammable or combustible liquids of Grade A or lower, manufactured by Varec, Inc., 301 East Alondra Boulevard, Gardena, CA 90247,

effective June 6, 1972. (It is an extension of Approval No. 162.016/12/0 dated April 28, 1967 and change of address of manufacturer.)

Approval No. 162.016/13/0, Figure No. 50AN, Varec flame arrester, semisteel and aluminum body, aluminum multiple plate bank, vertical type, square flange connections, fitted with extensible banks and removable cover plate, dwg. No. C–746, Alt. A dated January 24, 1947, approved for 2½", 3", 4", 6", 8", 10", and 12" pipe sizes, for use with inflammable or combustible liquids of Grade A or lower, manufactured by Varec, Inc., 301 East Alondra Boulevard, Gardena, CA 90247, effective June 6, 1972. (It is an extension of Approval No. 162.016/13/0 dated April 28, 1967 and change of address of manufacturer.)

Approval No. 162.016/14/0, Figure No. 50B, Varec flame arrester, aluminum body, aluminum multiple plate bank, vertical type, female threaded connections, fitted with extensible banks, and removable cover plate, dwg. No. C–746, Alt. A dated January 24, 1947, approved for 2½", 3", 4", 6", 8", 10", and 12" pipe sizes, for use with inflammable or combustible liquids of Grade A or lower, manufactured by Varec, Inc., 301 East Alondra Boulevard, Gardena, CA 90247, effective June 6, 1972. (It is an extension of Approval No. 162.016/14/0 dated April 28, 1967 and change of address of manufacturer.)

Approval No. 162.016/15/0, Figure No. 50C, Varec flame arrester, aluminum body, aluminum multiple plate bank, vertical type, flanged and screwed connections, fitted with extensible banks, and removable cover plate, dwg. No. C–746, Alt. A dated January 24, 1947, approved for 2½", 3", 4", 6", 8", 10", and 12" pipe sizes, for use with inflammable or combustible liquids of Grade A or lower, manufactured by Varec, Inc., 301 East Alondra Boulevard, Gardena, CA 90247, effective June 6, 1972. (It is an extension of Approval No. 162.016/15/0 dated April 28, 1967 and change of address of manufacturer.)

Approval No. 162.016/16/0, Figure No. 50CU, Varec flame arrester, semisteel body, copper multiple plate bank, vertical type, flanged connections fitted with extensible banks, and removable cover plate, dwg. No. C–746, Alt. A dated January 24, 1947, approved for 2½", 3", 4", 6", 8", 10", and 12" pipe sizes, for use with inflammable or combustible liquids of Grade A or lower, manufactured by Varec, Inc., 301 East Alondra Boulevard, Gardena, CA 90247, effective June 6, 1972. (It is an extension of Approval No. 162.016/16/0 dated April 28, 1967 and change of address of manufacturer.)

Approval No. 162.016/17/0, Figure No. 50S, Varec flame arrester, semisteel body, aluminum multiple plate bank, vertical type, flanged connections fitted with extensible banks, and removable cover plate, dwg. No. C–746, Alt. A dated January 24, 1947, approved for 2½", 3", 4", 6", 8", 10", and 12" pipe sizes, for use with inflammable or combustible liquids of Grade A or lower, manufactured by Varec, Inc., 301 East Alondra Boulevard, Gardena, CA 90247, effective June 6, 1972. (It is an extension of Approval No. 162.016/17/0 dated April 28, 1967 and change of address of manufacturer.)

Approval No. 162.016/18/0, Figure No. 50SA, Varec flame arrester, semisteel body, small aluminium multiple plate bank, vertical type, flanged connections, fitted with extensible banks and removable cover plate, dwg. No. C–746, Alt. A dated January 24, 1947, approved for 2½", 3", 4", 6", 8", 10", and 12" pipe sizes, for use with inflammable or combustible liquids of Grade A or lower, manufactured by Varec, Inc., 301 East Alondra Boulevard, Gardena, CA 90247, effective June 6, 1972. (It is an extension of Approval No. 162.016/18/0 dated April 28, 1967 and change of address of manufacturer.)

Approval No. 162.016/19/0, Figure No. 50SG, Varec flame arrester, semisteel body, aluminum multiple plate bank, vertical type, flanged connections, fitted with extensible banks, and removable cover plate, dwg. No. C–746, Alt. A dated January 24, 1947, approved for 2½", 3", 4", 6", 8", 10", and 12" pipe sizes, for use with inflammable or combustible liquids of Grade A or lower, manufactured by Varec, Inc., 301 East Alondra Boulevard, Gardena, CA 90247, effective June 6, 1972. (It is an extension of Approval No. 162.016/19/0 dated April 28, 1967 and change of address of manufacturer.)

Approval No. 162.016/20/0, Figure No. 50SB, Varec flame arrestor, semisteel body, aluminum multiple plate bank, vertical type, threaded connections, fitted with extensible banks, and removable cover plate, dwg. No. C–746, Alt. A dated January 24, 1947, approved for 2½", 3", 4", 6", 8", 10", and 12" pipe sizes, for use with inflammable or combustible liquids of Grade A or lower, manufactured by Varec, Inc., 301 East Alondra Boulevard, Gardena, CA 90247, effective June 6, 1972. (It is an extension of Approval No. 162.016/20/0 dated April 28, 1967 and change of address of manufacturer.)

Approval No. 162.016/21/0, Figure No. 50SC, Varec flame arrestor, semisteel body, aluminum multiple plate bank, vertical type, flanged and screwed connections, fitted with extensible banks, and removable cover plate, dwg. No. C–746, Alt. A dated January 24, 1947, approved for 2½", 3", 4", 6", 8", 10", and 12" pipe sizes, for use with inflammable or combustible liquids of Grade A or lower, manufactured by Varec, Inc., 301 East Alondra Boulevard, Gardena, CA 90247, effective June 6, 1972. (It is an extension of Approval No. 162.016/21/0 dated April 28, 1967 and change of address of manufacturer.)

Approval No. 162.016/22/0, Figure No. 53, Varec flame arrestor, aluminum body, aluminum multiple plate bank, horizontal type, flanged connections, fitted with extensible banks, and removable cover plate, dwg. No. C–749, Alt. A dated January 24, 1947, approved for 2½", 3", 4", 6", 8", 10", and 12" pipe sizes, for use with inflammable or combustible liquids of Grade A or lower, manufactured by Varec, Inc., 301 East Alondra Boulevard, Gardena, CA 90247, effective June 6, 1972. (It is an extension of Approval No. 162.016/22/0 dated April 28, 1967 and change of address of manufacturer.)

Approval No. 162.016/23/0, Figure No. 53A, Varec flame arrester, aluminum body, aluminum multiple plate bank, horizontal type, flanged connections, fitted with extensible banks, and removable cover plate, dwg. No. C–749, Alt. A dated January 24, 1947, approved for 2½", 3", 4", 6", 8', 10", and 12" pipe sizes, for use with inflammable or combustible liquids of Grade A or lower, manufactured by Varec, Inc., 301 Alondra Boulevard, Gardena, CA 90247, effective June 6, 1972. (It is an extension of Approval No. 162.016/23/0 dated April 28, 1967 and change of address of manufacturer.)

Approval No. 162.016/24/0, Figure No. 53B, Varec flame arrester, aluminum body, aluminum multiple plate bank, horizontal type screwed connections, fitted with extensible banks, and removable cover plate, dwg. No. C–749, Alt. A dated January 24, 1947, approved for 2½", 3", 4", 6", 8", 10", and 12" pipe sizes, for use with inflammable or combustible liquids of Grade A or lower, manufactured by Varec, Inc., 301 East Alondra Boulevard, Gardena, CA 90247, effective June 6, 1972. (It is an extension of Approval No. 162.016/24/0 dated April 28, 1967 and change of address of manufacturer.)

Approval No. 162.016/25/0, Figure No. 53C, Varec flame arrester, aluminum body, aluminum multiple plate bank, horizontal type, flanged and screwed connections, fitted with extensible banks, and removable cover plate, dwg. No. C–749, Alt. A dated January 24, 1947, approved for 2½", 3", 4", 6", 8", 10", and 12" pipe sizes, for use with inflammable or combustible liquids of Grade A or lower, manufactured by Varec, Inc., 301 East Alondra Boulevard, Gardena, CA 90247, effective June 6, 1972. (It is an extension of Approval No. 162.016/25/0 dated April 28, 1967 and change of address of manufacturer.)

Approval No. 162.016/26/0, Figure No. 53S, Varec flame arrester, semisteel body, aluminum multiple plate bank, horizontal type, flanged connections, fitted with extensible banks, and removable cover plate, dwg. No. C–749, Alt. A dated January 24, 1947, approved for 2½", 3", 4", 6", 8", 10", and 12" pipe sizes, for use with inflammable or combustible liquids of Grade A or lower, manfactured by Varec, Inc., 301 East Alondra Boulevard, Gardena, CA 90247, effective June 6, 1972. (It is an extension of Approval No. 162.016/26/0 dated April 28, 1967 and change of address of manufacturer.)

Approval No. 162.016/27/0, Figure No. 53SA, Varec flame arrester, semisteel body, aluminum multiple plate bank, horizontal type, flanged connections, fitted with extensible banks, and removable cover plate, dwg. No. C–749, Alt. A dated January 24, 1947, aproved for 2½", 3", 4", 6", 10", and 12" pipe sizes, for use with inflammable or combustible liquids

of Grade A or lower, manufactured by Varec, Inc., 301 East Alondra Boulevard, Gardena, CA 90247, effective June 6, 1972. (It is an extension of Approval No. 162.016/27/0 dated April 28, 1967 and change of address of manufacturer.)

Approval No. 162.016/28/0, Figure No. 53SB, Varec flame arrester, semisteel body, aluminum multiple plate bank, horizontal type, screwed connections, fitted with extensible banks, and removable cover plate, dwg. No. C-749, Alt. A dated January 24, 1947, approved for 2½", 3", 4", 6", 8", 10", and 12" pipe sizes, for use with inflammable or combustible liquids of Grade A or lower, manufactured by Varec, Inc., 301 East Alondra Boulevard, Gardena, CA 90247, effective June 6, 1972. (It is an extension of Approval No. 162.016/28/0 dated April 28, 1967 and change of address of manufacturer.)

Approval No. 162.016/29/0, Figure No. 53SC, Varec flame arrester, semisteel body, aluminum multiple plate bank, horizontal type, flanged and screwed connections, fitted with extensible banks, and removable cover plate, dwg. No. C-749, Alt. A dated January 24, 1947, approved for 2½", 3", 4", 6", 8", 10", and 12" pipe sizes, for use with inflammable or combustible liquids of Grade A or lower, manufactured by Varec, Inc., 301 East Alondra Boulevard, Gardena, CA 90247, effective June 6, 1972. (It is an extension of Approval No. 162.016/29/0 dated April 28, 1967 and change of address of manufacturer.)

Dated: August 4, 1972.

G. H. READ,
Captain, U.S. Coast Guard, Acting Chief Office of Merchant Marine Safety.

[FR Doc.72-12481 Filed 8-8-72;8:51 am]

FEDERAL RAILROAD ADMINISTRATION

[FRA-Pet-No. 49 (Power Brake)]

DULUTH, MISSABE & IRON RANGE RAILWAY CO.

Petition for Relief

The Duluth, Missabe & Iron Range Railway Co. has filed a petition seeking relief from the requirements of § 232.13 (e) (1) which requires the visual inspection of the airbrakes of each car. In lieu thereof, the petitioner would substitute the brake pipe test required by § 232.13(c) (1) and (2) on its transfer trains of empty cars from the Duluth ore docks to its yard in Proctor, Minn.; a distance of about 6.5 miles.

The petitioner states relief is sought for its trains of 100 to 110 empty ore cars which are returned up hill from the ore docks to Proctor at a speed of 7 to 9 miles per hour. These cars are 220,000-pound load limit, open-top ore hoppers equipped with AB single-capacity brakes and composition brake shoes. These trains are hauled by either two- or three-unit diesel-electric locomotives. These cabooses are equipped with a duplex gage to measure pressure in the auxiliary reservoir in addition to the brake pipe. These cabooses are also being equipped with power handbrakes. Two-way radio communication is maintained on them as well as on all locomotives.

The petitioner requests that, in lieu of walking the train as required by § 232.13 (e) (1), it be permitted to make the following test:

After the train brake system is charged to within 15 pounds of the feed valve setting on the locomotive but not less than 60 pounds as indicated at the rear of the train, a 20-pound brake pipe reduction will be made and it will be determined that the brakes on the rear car apply and release properly. Before proceeding it must be known that the brake pipe pressure as indicated in the rear of the train is being restored.

The petitioner contends that this test will insure the brake system is operative and safe for the movement to Proctor. In addition, it claims this test is less hazardous to the trainmen by reducing the amount of walking in an area of high density train movements. The petitioner also claims that the brake test made at Proctor less than 5 hours before insures that the airbrakes on each car are fully operative.

Interested persons are invited to submit written comments on whether petitioner's request should be granted. Communications should be submitted to the Docket Clerk, Office of Chief Counsel, Federal Railroad Administration, Re: Docket No. FRA-Pet-No. 49 (Power Brake), 400 Seventh Street SW., Washington, DC 20590. All comments received on or before September 8, 1972, will be considered before action is taken on the petition. All written comments received will be available for examination by interested persons. The docket may be examined anytime during regular business hours in Room 5428, 400 Seventh Street SW., Washington, DC 20590.

Issued in Washington, D.C. on July 31, 1972.

JOHN E. ROURKE,
Chairman, Railroad Safety Board.

[FR Doc.72-12441 Filed 8-8-72;8:48 am]

ATOMIC ENERGY COMMISSION

FISSION PRODUCT RADIOISOTOPES

Distribution and Pricing Policy

As a consequence of a recent review of its distribution and pricing policy for the fission product radioisotopes cesium-137, strontium-90, promethium-147, and cerium-144, the Commission proposes to take the following actions:

a. Make available for sale the encapsulated cesium-137 and strontium-90 sources presently scheduled to be produced under the AEC waste management program at Hanford, Wash., commencing in July 1973.

b. Establish sale prices for the encapsulated sources of 10 cents per curie in both cases, plus appropriate handling charges for delivery of the sources to a common carrier.

c. Maintain the present price schedules for currently available unencapsulated cesium-137 and strontium-90 pending availability of the waste management sources.

d. Rescind the present price schedules for promethium-147 and cerium-144 in light of their relatively short half-lives and uncertain markets and henceforth distribute these on a custom order full cost recovery basis.

The cesium-137 waste management sources consist of a sealed metal capsule approximately 2½ inches in diameter by 20 inches long containing about 60,000 curies in chloride form. The strontium-90 source consists of a similar capsule containing about 150,000 curies in fluoride form. Following availability of the waste management sources, any customer orders for cesium-137 and strontium-90 in practically feasible quantities or chemical, physical, or encapsulated forms different from these sources will be accommodated by the AEC on a custom order basis in accordance with the AEC full cost recovery policy, subject to AEC waste management program priorities and assuming such services are not otherwise reasonably available from private sources of supply.

AEC will withdraw from distribution of the referenced fission products at such time as these materials become reasonably available from private sources of supply.

The foregoing proposed actions have been determined to be consistent with the requirements of section 81 of the Atomic Energy Act of 1954, as amended, and with the provisions of the AEC FEDERAL REGISTER policy statement of March 9, 1965 (30 F.R. 3247), "Policies and Procedures for Transfer of AEC Commercial Radioisotope Production and Distribution to Private Industry."

All interested persons who desire to submit written comments for consideration in connection with these proposed actions should send them to the Secretary, U.S. Atomic Energy Commission, Washington, D.C. 20545, within 45 days after publication of this notice in the FEDERAL REGISTER. Unless suspended or rescinded within 30 days after the period provided for public comment as a consequence of any substantive comment received, the actions will become effective November 7, 1972. Public comments received after the aforementioned 45-day period will be considered if it is practical to do so, but assurance of consideration cannot be given except as to comments filed within the period specified.

(Sec. 161, 68 Stat. 948; 42 U.S.C. 2201)

Dated at Germantown, Md., this 28th day of July 1972.

For the Atomic Energy Commission.

W. B. McCOOL,
Secretary of the Commission.

[FR Doc.72-12333 Filed 8-8-72;8:45 am]

NORTH CAROLINA STATE UNIVERSITY

Notice of Proposed Issuance of Facility License

The Atomic Energy Commission (herein "the Commission") is considering the issuance of a facility license to the North Carolina State University at Raleigh. The license would authorize the North Carolina State University at Raleigh to possess, use and operate the NCSU PULSTAR nuclear research reactor located on its campus at Raleigh, N.C., at steady state power levels up to a maximum of 1 megawatt (thermal), and pulse the reactor with energy releases up to 38 mw/sec. Construction of the NCSU PULSTAR nuclear research reactor was authorized by construction permit No. CPRR-106 issued October 1, 1968.

The Commission has found that the application for the license, as amended, complies with the requirements of the Atomic Energy Act of 1954, as amended ("the Act"), and the Commission's regulations published in 10 CFR Chapter I.

Prior to the issuance of this license, the facility will be inspected by the Commission to determine if it has been constructed in accordance with construction permit No. CPRR-106. The license will be issued after the Commission makes the findings required by the Act and the Commission's regulations, which are set forth in the proposed license, and tion permit No. CPRR-106. The license will not be inimical to the common defense and security or to the health and safety of the public. Upon issuance of the license, North Carolina State University at Raleigh will be required to execute an indemnity agreement as required by section 170 of the Act and 10 CFR Part 140 of the Commission's regulations.

Within 15 days from the date of publication of this notice in the FEDERAL REGISTER, the applicant may file a request for a hearing, and any person whose interest may be affected by the issuance of this license may file a petition for leave to intervene. Requests for a hearing and petitions to intervene shall be filed in accordance with the provisions of the Commission's "Rules of Practice", 10 CFR Part 2. If a request for a hearing or a petition for leave to intervene is filed within the time prescribed in this notice, the Commission will issue a notice of hearing or an appropriate order.

For further details with respect to the proposed facility license, see (1) the application dated July 17, 1967, and supplements dated June 1, 1970, April 26, 1971, February 18, May 19, June 19, and July 7, 1972; (2) the proposed facility license; (3) the related Safety Evaluation; and (4) the proposed Technical Specifications, all of which are available for public inspection at the Commission's Public Document Room, 1717 H Street NW., Washington, D.C. A copy of items (2), (3), and (4) above may be obtained upon request sent to the Atomic Energy Commission, Washington, D.C. 20545, Attention: Deputy Director for Reactor Projects, Directorate of Licensing.

Dated at Bethesda, Md., this 1st day of August 1972.

For the Atomic Energy Commission.

DONALD J. SKOVHOLT,
Assistant Director for Operating Reactors, Directorate of Licensing.

[FR Doc.72-12580 Filed 8-8-72;8:55 am]

PREPARATION OF ENVIRONMENTAL REPORTS FOR NUCLEAR POWERPLANTS

Notice of Issuance of Proposed Guide

The AEC has issued for public comment a proposed "Guide to the Preparation of Environmental Reports for Nuclear Powerplants." This document would provide guidance to applicants on the preparation of environmental reports required to be submitted by the AEC regulations in 10 CFR Part 50, Appendix D, implementing the National Environmental Policy Act of 1969. It represents a major revision of the draft guide of the same title issued in February 1971. The new guide would bring the earlier version into conformity with Appendix D of 10 CFR Part 50 as now in effect and incorporates all interim guidance issued by the AEC since September 1, 1971.

Under the Commission's revised regulations implementing the National Environmental Policy Act of 1969 (NEPA), each applicant for a nuclear powerplant construction permit or operating license is required to submit an environmental report. The proposed new guide would cover all aspects of preparation of the applicant's environmental report, including the benefit-cost analysis. It is directed at proposed nuclear powerplants for which construction has not been initiated or is in the very early stages. Because of this, the discussion of cost-benefit analysis in the proposed guide differs from the corresponding discussion in the cost-benefit guide dealing with completed or partially completed nuclear powerplants issued in January (37 F.R. 548, Jan. 13, 1972).

A copy of the new guide is available for inspection at the Commission's Public Document Room, 1717 H Street NW., Washington, DC. All interested persons are invited to submit comments and suggestions on the proposed guide by September 23, 1972. Comments received after September 23, 1972, will be considered if it is practicable to do so, but assurance of consideration cannot be given except as to comments filed within the period specified.

Comments and requests for copies of the "Guide to the Preparation of Environmental Reports for Nuclear Power Plants" should be sent to the Secretary of the Commission, U.S. Atomic Energy Commission, Washington, D.C. 20545, Attention: Chief, Public Proceedings Branch.

(5 U.S.C. 552(a))

Dated at Bethesda, Md., this 4th day of August 1972.

For the Atomic Energy Commission.

LESTER ROGERS,
Director of Regulatory Standards.

[FR Doc.72-12535 Filed 8-8-72;8:52 am]

[Docket No. 50-267]

PUBLIC SERVICE COMPANY OF COLORADO

Notice of Availability of AEC Final Environmental Statement

Pursuant to the National Environmental Policy Act of 1969 and the Atomic Energy Commission's regulations in Appendix D to 10 CFR Part 50, notice is hereby given that a document entitled "Final Environmental Statement Related to the Proposed Issuance of an Operating License to the Public Service Company of Colorado for the Fort St. Vrain Nuclear Generating Station" has been prepared by the Directorate of Licensing, U.S. Atomic Energy Commission and has been made available for public inspection in the Commission's Public Document Room at 1717 H Street NW., Washington, DC, and in the Greeley Public Library, City Complex Building, Greeley, Colo. 80631. The statement is also being made available at the office of the Executive Director, Department of Local Affairs, Room 208, 1550 Lincoln Street, Denver, CO 80203.

Notices of the availability of the Public Service Company of Colorado's Environmental Report and Supplement No. 1 thereto were published in the FEDERAL REGISTER on June 22, 1971 (36 F.R. 11873) and on January 7, 1972 (37 F.R. 236), respectively. The notice of availability of the Draft Environmental Statement for the Fort St. Vrain Nuclear Generating Station and request for comments from interested persons was published in the FEDERAL REGISTER on April 19, 1972, 37 F.R. 7727. The comments received from Federal, State, and local officials have been included as appendices to the Final Environmental Statement.

The notice of consideration of issuance of facility operating license and opportunity for hearing was published in the FEDERAL REGISTER on May 4, 1972 (37 F.R. 9049).

Copies of the statement may be obtained upon request addressed to the U.S. Atomic Energy Commission, Washington, D.C. 20545, Attention: Deputy Director for Reactor Projects, Directorate of Licensing.

Dated at Bethesda, Md., this 4th day of August 1972.

For the Atomic Energy Commission.

ROGER S. BOYD,
Assistant Director for Boiling Water Reactors, Directorate of Licensing.

[FR Doc.72-12536 Filed 8-8-72;8:52 am]

CIVIL AERONAUTICS BOARD

[Dockets Nos. 24618, 24353; Order 72-8-12]

EASTERN AIR LINES, INC.

Order of Suspension Regarding U.S. Mainland-Puerto Rico/Virgin Islands Fares

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., on the 3d day of August 1972.

By tariff revisions[1] marked to become effective August 5, 1972, Eastern Air Lines, Inc. (Eastern) proposes to establish round-trip group inclusive tour fares from 12 gateway and 20 interior U.S. mainland points to San Juan, and return, with routing via Miami, applicable only in conjunction with a prepaid sea cruise of at least $175 sailing from Puerto Rico. The proposed fares would be applicable at all times during the winter peak travel period (November 18, 1972–May 15, 1973 inclusive). The fares generally would be subject to seven 21-day stay limitations and would be available for groups of 10 or more from interior U.S. points, and to groups of 40 or 80 or more, depending on the fare paid and gateway. The proposed fares would provide discounts of up to 50 percent from regular fares in the same markets and would produce yields generally ranging from 2.9 to 3.8 cents per passenger mile.

American Airlines, Inc. (American) has filed a complaint alleging that the proposed fares are unreasonable, requesting that they be suspended and investigated. American alleges that Eastern has provided so little information in connection with its filing that a full analysis of its proposal is impossible; that Eastern's assumption of zero dilution is totally unrealistic; and that Eastern's cost estimates are deficient in crucial respects and fail to disclose what is included in any of the cost figures it has used, thus making impossible a determination of whether they include all pertinent costs. American points out that the affinity-group fares to which Eastern refers in justification of the fares it here proposes are available only during the spring and fall off-peak seasons, whereas the proposed fares which produce even lower yields would apply during the peak winter season.

In support of its proposal and in answer to American's complaint, Eastern alleges that the fares in many cases are quite similar to the affinity-group 40 fares the Board recently permitted to become effective, but are set at a lower level because of competitive necessity, as the traffic would otherwise move by supplemental carrier; and that diversion will be virtually nonexistent because of the $175 minimum price of the required prepaid sea cruise. The carrier states that it expects the fares to generate 1,145 passengers per week, with the total volume being greatest from the midwest, and that an additional four and one-half flights per week will be required to handle the projected volume of traffic.

[1] Revisions to Eastern's tariff CAB No. 326.

Cunard, the steamship line in conjunction with which Eastern worked out its proposal, has allegedly already booked 2,100 passengers, 55 percent of whom will originate in midwest cities. Based on these advanced bookings the average weighted fare is $117.71. Eastern claims one explanation for the large volume of traffic out of the midwest as compared with east coast points is that travelers in the latter cities have cruises available which depart from their home city. This is an option which residents of midwest cities obviously do not have. Eastern claims that using fully allocated costs for the additional flights required and incremental costs for generated passengers to be carried on existing scheduled flights, the proposed fares would generate $2,928,000 in revenues and produce a profit of approximately 1 million dollars.

Upon consideration of the proposal, the complaint and answer thereto, and all other relevant matters, the Board finds that the proposal may be unjust, unreasonable, unjustly discriminatory, unduly preferential, unduly prejudicial, or otherwise unlawful and should be suspended. The proposed fares are already included in the U.S. Mainland-Puerto Rico/Virgin Islands Fares case, Docket 24353.

Eastern estimates a profit under the proposal based upon costs reflecting partly an added cost approach and partly a fully allocated one, and an assumption that no passengers will be diverted from higher fare services. In our opinion, this latter assumption is not realistic since joint air/sea programs have been available in past seasons absent such greatly reduced fares as herein proposed and it seems only reasonable to conclude that they attracted some patronage at least. With respect to the cost aspect of the proposal, we note that while the fares were designed to be used in conjunction with Cunard Lines' cruise program, other cruise lines may seek to promote similar packages based on these fares. Should this materialize, a substantially greater number of extra sections would be required than Eastern has projected, which could seriously undermine the economics of the very low fare level proposed.

One of the most pressing problems in vacation markets generally, and especially in the San Juan market, is the tremendous peaking in traffic which occurs seasonally, directionally, and by day of the week. In our opinion, offering very low-yield fares during peak periods can only serve, in the longer run, to increase overall capacity requirements. This being the case, we question the validity of using an added cost approach, notwithstanding that some of the traffic may initially be carried on previously scheduled flights. The proposed fares (as low as $99 round-trip from east coast gateways) clearly do not and are not alleged to cover fully allocated costs and, in fact, the yields are considerably below per passenger-mile cash operating costs forecast by Eastern for the U.S. mainland-Puerto Rico/Virgin Islands carriers in Docket 24353.

Accordingly, pursuant to the Federal Aviation Act of 1958, and particularly sections 204(a), 403, 404, and 1002 thereof:

It is ordered, That:

1. Pending hearing and decision by the Board, the fares and provisions described in Appendix A hereto[1] are suspended and their use deferred to and including November 2, 1972, unless otherwise ordered by the Board, and that no changes be made therein during the period of suspension except by order or special permission of the Board;

2. Except to the extent granted herein, the complaint in Docket 24618 is hereby dismissed; and

3. Copies of this order be filed with the aforesaid tariff and be served upon American Airlines, Inc. and Eastern Air Lines, Inc.

This order will be published in the FEDERAL REGISTER.

By the Civil Aeronautics Board.

[SEAL] HARRY J. ZINK,
Secretary.

[FR Doc.72-12484 Filed 8-8-72;8:51 am]

[Dockets Nos. 22283, 22284; Order 72-7-67]

FONTANA AVIATION, INC.

Order To Show Cause Regarding Establishment of Service Mail Rates

Issued under delegated authority, July 25, 1972.

A final service mail rate of 57 cents per great circle aircraft mile for the transportation of mail by aircraft is currently in effect for Fontana Aviation, Inc. (Fontana), an air taxi operating pursuant to 14 CFR Part 298. This rate is applicable to service between (1) Iron Mountain and Detroit via Lansing, Mich. (Detroit segment), and (2) Iron Mountain, Mich., and Chicago, Ill., via Green Bay and Milwaukee, Wis. (Chicago segment), and was established by Order 70-10-77, dated October 13, 1970 (35 F.R. 16334, October 17, 1970).

By petition filed March 20, 1972, Fontana requests to be made effective June 17, 1970, rates of 56.93 cents per great circle aircraft mile for the Detroit segment and 63.71 cents per great circle aircraft mile for the Chicago segment, the rates which were in effect prior to issue of Order 70-10-77.[2] Fontana alleges that the Postmaster General inadvertently erred in its petition to the Board dated August 9, 1970, resulting in the establishment by the Board of a common final service mail rate of 57 cents per great circle aircraft mile for both markets.

In answer to Fontana's petition the Postmaster General on May 17, 1972, asked for leave to file a late answer, which is granted. The Postmaster General disputes Fontana's allegations of fact and opposes grant of the relief requested by petitioner. However, he would not object to any relief the Board determines it is legally empowered to grant.

[1] Appendix A filed as part of the original document.

[2] Those rates were established by Order 70-7-103, dated July 22, 1970.

The Board lacks authority to change a final mail rate, until such time as the rate is opened either by petition of the carrier or the Postmaster General or by the Board upon its own motion.[2] Thus, the final mail rate established by Order 70-10-77 remained in effect up to March 20, 1972, the date Fontana filed its petition and may not be changed prior to that date. We therefore propose to issue an order to include the following findings and conclusions: [3]

The fair and reasonable final service mail rates on and after March 20, 1972, to be paid to Fontana Aviation, Inc., in its entirety by the Postmaster General pursuant to section 406 of the Act for the transportation of mail by aircraft, the facilities used and useful therefor, and the service connected therewith, based on five round trips per week shall be: (1) 56.93 cents per great circle aircraft mile between Iron Mountain and Detroit via Lansing, Mich., and, (2) 63.71 cents per great circle aircraft mile between Iron Mountain, Mich., and Chicago, Ill., via Green Bay and Milwaukee, Wis.

Accordingly, pursuant to the Federal Aviation Act of 1958, and particularly sections 204(a) and 406 thereof, and regulations promulgated in 14 CFR Part 302, 14C FR Part 298, and 14 CFR 385.16(f),

It is ordered, That:

1. Fontana Aviation, Inc., the Postmaster General, Eastern Air Lines, Inc., North Central Airlines, Inc., Northwest Airlines, Inc., Ozark Air Lines, Inc., United Air Lines, Inc., and all other interested persons are directed to show cause why the Board should not adopt the foregoing proposed findings and conclusions and fix, determine, and publish the final rate specified above for the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith as specified above as the fair and reasonable rates of compensation to be paid to Fontana Aviation, Inc.;

2. Further procedures herein shall be in accordance with 14 CFR Part 302, and notice of any objection to the rate or to the other findings and conclusions proposed herein, shall be filed within ten days, and if notice is filed, written answer and supporting documents shall be filed within 30 days after service of this order;

3. If notice of objection is not filed within 10 days after service of this order, or if notice is filed and answer is not filed within 30 days after service of this order, all persons shall be deemed to have waived the right to a hearing and all other procedural steps short of a final decision by the Board, and the Board may enter an order incorporating the findings and conclusions proposed herein and fix and determine the final rates specified herein;

4. If answer is filed presenting issues for hearing, the issues involved in determining the fair and reasonable final rate shall be limited to those specifically raised by the answer, except insofar as other issues are raised in accordance with Rule 307 of the rules of practice (14 CFR 302.307); and

5. This order shall be served on Fontana Aviation, Inc., the Postmaster General, Eastern Air Lines, Inc., North Central Airlines, Inc., Northwest Airlines, Inc., Ozark Air Lines, Inc., and United Air Lines, Inc.

This order will be published in the FEDERAL REGISTER.

[SEAL] HARRY J. ZINK,
Secretary.

[FR Doc.72-12485 Filed 8-8-72;8:51 am]

[Docket No. 24534; Order 72-3-10]

PAN AMERICAN WORLD AIRWAYS, INC.

Order of Tentative Approval

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., on the 3d day of August 1972.

By application filed June 6, 1972,[1] Pan American World Airways, Inc. (Pan Am) requests that the Board approve, under section 408(a)(1) of the Federal Aviation Act of 1958, as amended (the Act), the creation by Pan Am and Avions Marcel Dassault-Breguet Aviation (AMD), pursuant to a joint venture agreement, of a new joint venture company, Falcon Jet Corp. (FJC)[2] to take over the assets and business of Pan Am's Business Jets Division (Business Jets). The applicant also requests that the Board approve the joint venturers' control of FJC pursuant to section 408(a)(6) of the Act, and to the extent applicable, the relationship with Aircraft Owning Co. (Owning Co.), a newly organized corporation, for the purpose of taking title to the Falcon jet aircraft to be transferred to FJC and Owning Co. In addition, the applicant requests that the Board approve, pursuant to sections 403(a)(2) and (3), certain transactions relating to the resale and lease-back to Pan Am of various aircraft transferred to FJC and Owning Co. pursuant to the joint venture agreement.

Executive Jet Aviation, Inc. supports Pan Am's application.

AMD is a foreign aircraft manufacturer whose Falcon twin-jet executive aircraft[3] are presently distributed throughout the Western Hemisphere by Business Jets, pursuant to distributorship and sales agreements of August 1963 and December 1969, involving Pan Am's purchase of 100 Falcon 20 aircraft and 40 Falcon 10 aircraft, with an option for additional purchases.[4]

FJC will be organized to function as the successor in interest to the assets and business of Business Jets. The joint venture company will distribute, sell, lease, and service Falcon twin-jet executive aircraft under distributorship agreements with AMD, except those aircraft with which Pan Am presently conducts wet lease and charter operations. Essentially, FJC will be engaged in the business of distributing, selling, dry leasing, arranging financing, and servicing Falcon jet aircraft for business aviation. Customers services include equipping aircraft, air frame maintenance, engine overhaul, spare parts, operational services, and ramp services. FJC also will be engaged in related activities such as postfactory equipment installations, selling and servicing used and trade-in aircraft, developing improvements in aircraft specifications and performance, and servicing other aircraft belonging to Falcon owners. FJC will not be engaging in the operation of aircraft, except to the extent operations are incidental to the company's principal business such as, for example, in delivering and demonstrating aircraft, displaying and servicing aircraft, and related functions.

In addition to FJC, Owning Co. will be organized for the limited purposes of acquiring ownership of the Falcon aircraft which are to be distributed by FJC, of registering such aircraft with the Federal Aviation Administration,[5] and of leasing and selling such aircraft to FJC or to designees of FJC. This company will assume joint and several liability with FJC to Pan Am and AMD for advances made to FJC for the acquisition of aircraft, and will deliver a chattel mortgage on each aircraft to secure the repayment of such advances. However, FJC

---

[2] Transcontinental & Western Air Lines, Inc. v. CAB, 336 U.S. 601 (1959). The same rule would apply even if errors of fact were relied upon in establishing the final rate. See Order E-25030, dated April 24, 1967, and cases cited therein. In the case now before us the carrier was aware of and apparently disagreed with the establishment of the current rate when the Postmaster General filed the petition upon which the rates were based 17 months ago, but the carrier filed no answer to the petition nor to the order to show cause proposing the rate.

[3] As this Order to Show Cause is not a final action, it is not regarded as subject to the review provisions of 14 CFR Part 385. These provisions will apply to final action taken by the staff under authority delegated in § 385.16(g).

[1] The application was amended on June 29, 1972.

[2] The proposed company is intended to be incorporated under the laws of New Jersey, and its name, as used in this proceeding, may be changed by mutual agreement.

[3] The Falcon 20 aircraft has a maximum capacity of 10 passengers or 6,000-pound cargo payload; the Falcon 10 aircraft's maximum capacity is seven passengers or 2,500-pound cargo payload.

[4] In this connection, the applicant states that as of June 23, 1972, 104 Falcon 20s had been delivered to Pan American and 140 of these were resold. Of the aircraft delivered to Pan Am, four have been resold to finance leasing companies and leased back to Pan Am. Pan Am's inventory represents a total cost to the air carrier of approximately $23,782,000. Pan Am is obligated to purchase Falcon 20s at the rate of one per month on deferred payment arrangements, whether or not sales have been made. The initial deliveries of Falcon 10 aircraft are scheduled to commence in late 1972.

[5] Section 501 of the Act requires the registration of aircraft nationality.

alone will be entitled to the excess proceeds on the sale or lease of aircraft.

The joint venture agreement between Pan Am and AMD provides that the capital stock of FJC will be owned equally by Pan Am and AMD with reciprocal rights of first refusal in the event of the sale of such stock by either party. Each party will have the right to elect half of the directors, subject to AMD's option to acquire an additional 5 percent of Pan Am's stock and elect an additional director.[6] AMD will designate the chairman of the board of directors and Pan AM will designate the president and chief executive officer. The parties will jointly designate a two-man executive committee.

Equal distribution of FJC's stock will be made to Pan Am and AMD in exchange for Falcon-related assets which each contributes to FJC.[7] Pan Am's Falcon 20 and Falcon 10 sales contracts and distributorship agreements with AMD will be assigned to FJC which will assume the obligations thereunder. Remaining assets of Business Jets, having a book value of approximately $13.6 million, will be transferred to FJC and treated as interest-free loans.[8] Additional advances required by FJC will be made by AMD until equal to Pan Am loans, and thereafter further advances will be made jointly by the parties. Repayments will be made to Pan Am from the sale of FJC's assets until the unpaid loans of both parties are equalized, and thereafter on an equal basis. FJC will enter into a 20-year use and occupancy agreement for office, storage, and hangar space at Teterboro Airport now occupied by Business Jets.

In addition to the consolidation of various properties of AMD and Pan Am (Business Jets) and the transfer of Pan Am assets, including 16 Falcon 20 aircraft to FJC, the joint venture contemplates various sale-back and lease-back transactions involving eight additional Falcon 20 aircraft included in Pan Am's inventory.[9]

Specifically, one transaction contemplated by the joint venture agreement involves FJC's right to resell to Pan Am at FJC's cost any of the Falcon 20 aircraft of the first 180 aircraft which have not been sold by December 31, 1975, and any of first 40 Falcon 10 aircraft which have not been sold by December 31, 1976. This "put" transaction involves a maximum of 36 Falcon 20 aircraft: 20 such aircraft in Pan Am's present inventory, 16 additional Falcon 20 aircraft yet to be delivered under the Pan Am's existing sales contract with AMD, and 40 Falcon 10 aircraft which also remain to be delivered under Pan Am's existing sales contract with AMD. A second transaction involves Pan Am's sale to and temporary lease-back from Owning Co. of four Falcon 20 aircraft which Pan Am is presently using in charter and/or wet-lease operations. A third transaction involves the future transfer by Pan Am to FJC of its remaining leasehold interest in four Falcon 20 aircraft not owned by Pan Am but included in Pan Am's inventory and presently available for Pan Am charter operations.

In support of the application, Pan Am states in effect that the joint venture agreement will result in Pan Am's engaging indirectly, through FJC, in a business in which it is now directly engaged, i.e. the sale or lease of business jet Falcon aircraft. The applicant also states that divestiture of the business jet activity is a step in the ongoing effort of the air carrier to attain profitability. Specifically, Pan Am will be relieved of existing capital and credit commitments ($3.7 million in 1972 and $5.1 million in 1973) for the operations of Business Jets; current cash requirements for the activities of that division will be eliminated; Pan Am will be relieved of outstanding liabilities and obligations which will be assumed by FJC; and the air carrier will eliminate a source of losses which in 1970 amounted to over $4 million and interest expenses of almost $2.5 million, and in 1971 amounted to almost $3 million and interest expenses in excess of $2 million. On the other hand, the air carrier will retain an interest in the business jet distribution through its joint interest with AMD in FJC.

No objections to the application or requests for a hearing have been received.

Upon consideration of the foregoing, the Board tentatively concludes that (1) the consolidation into FJC of Pan Am's Falcon-related properties and similar properties of AMD; (2) the control by Pan Am, jointly with AMD, of FJC and their relationship with Owning Co.;[10] and (3) transactions among Pan Am, FJC, and Owning Co. involving sales, repurchases, and lease-backs by Pan Am of various Falcon aircraft, do not affect the control of an air carrier directly engaged in the operation of aircraft in air transportation, do not result in creating a monopoly and do not restrain competition. Furthermore, no person disclosing a substantial interest in the proceeding is currently requesting a hearing and the Board concludes that the public interest does not require a hearing.

As a result of the consolidation and control relationships Pan Am and AMD, through a newly created subsidiary corporation, FJC, will jointly conduct the Falcon jet distributorship business in the United States. It appears that through this sharing of Pan Am's business jet activities important financial benefits will accrue to the air carrier. Such benefits would include a reduction of the air carrier's cash requirements, capital and credit commitments, and losses from the Falcon distributorship operations. Further, it appears that the intercompany relationships and aircraft transactions herein are designed to implement the basic consolidation and constitute an essential part thereof. We tentatively find, therefore, that the consolidation and intercompany relationships and aircraft transactions herein will not be inconsistent with the public interest, if the approval is made subject to appropriate conditions.[11]

In the light of Pan Am's joint venture interest in FJC and the possibility of future transactions between them involving additional Falcon aircraft and spare parts which may be acquired from AMD for distribution by FJC, we believe several conditions are warranted. First, we shall prohibit any transactions or negotiations between Pam Am and FJC or Owning Co., without prior Board approval, that migh lead to the purchase or lease by Pan Am of additional Falcon aircraft (other than for crew training or for corporate purposes), or major component parts, hereafter acquired by

[6] The exercise of this option would obligate AMD to assume the full responsibility for future loans to finance additional aircraft and to guarantee the repayment of certain Pan Am loans 4 years thereafter, or by Dec. 31, 1976, whichever is later. If, after Dec. 31, 1976, FJC's board of directors does not unanimously approve orders for additional aircraft, AMD may terminate the Falcon sales contract, or purchase all of Pan Am's stock in FJC upon repayment of Pan Am's loans to the company.

[7] Pan Am's equity contribution will consist of Falcon 20 aircraft spare parts valued at $5,742,000, and unamortized investment in preoperating costs of the Falcon 20 and Falcon 10 aircraft. AMD's equity contribution will consist of Falcon 20 aircraft spare parts on consignment in the United States, valued at $1,013,000; construction of a new maintenance facility of Teterboro Airport, estimated at $1,500,000; Falcon 10 mock-up at approximately $164,000; $1 million in cash; and a credit to FJC in an amount (up to $2.2 million) sufficient to equalize the value of Pan Am's equity contribution.

[8] These assets consist of Pan Am's deposits on Falcon aircraft, Falcon 20 aircraft and trade-in aircraft on hand at the closing date, ground and office equipment, and work in progress on cargo door development.

[9] Of the first 180 Falcon 20 aircraft, 164 have been delivered to Pan Am. Of the delivered aircraft 144 have been sold; 140 to customers, and four to finance leasing companies. The latter four aircraft have been leased back to Pan Am, and the leases may subsequently be assigned to FJC. The remaining 20 aircraft owned by Pan Am are presently on hand. Of the latter 20 aircraft in Pan Am's inventory, 16 aircraft, in addition to the rights to the 16 remaining undelivered aircraft, will be transferred to FJC with title taken by Owning Co.; and the other four aircraft owned by Pan Am will be sold to Owning Co. and leased back to Pan Am for use in charters and wet lease operations until Pan Am finds a qualified lessee, or the parties mutually agree upon some other use for them.

[10] Owning Co. and FJC are persons engaged in a phase of aeronautics within the meaning of section 408 of the Act, since the latter company will undertake the distribution of Falcon jet aircraft and the former company will take title to all Falcon aircraft, and also lease-back four aircraft used by Pan Am in its current wet-lease operations.

[11] The Board does not intend to determine herein the eligibility for registration, as provided by section 501 of the Act and the applicable regulations, of any aircraft held in the name of Owning Co., this issue being within the province of the FAA.

FJC [12] or Owning Co. Secondly, we shall prohibit Pan Am, FJC, and Owning Co. from furnishing directly or indirectly any aircraft crew for the operation of aircraft distributed, sold, or leased by FJC or Owning Co. Such operations might involve the latter companies in the conduct of unauthorized air transportation. Thirdly, we shall require Pan Am to report all intercompany transactions with FJC or Owning Co., including loans or advances, which are in excess of $100,000 in any calendar year in order to maintain surveillance over intercompany transactions. Finally, the Board intends to reserve jurisdiction over the transactions herein to take whatever action may be required in the public interest.[13]

In accordance with section 408(b) of the Act, this order constituting notice of the Board's tentative findings, will be published in the FEDERAL REGISTER and interested persons will be afforded an opportunity to file comments or request a hearing on the Board's tentative decision.

Accordingly, it is ordered, That:

1. Subject to the conditions herein discussed, (a) the consolidation of Pan Am and AMD Falcon jet aircraft and related properties into Falcon Jet Corp., (b) the control of Falcon Jet Corp. by Pan Am, jointly with AMD, and their relationship with Aircraft Owning Co., and (c) transactions herein involving Pan Am's repurchases, or sales and leasebacks of Falcon aircraft from FJC or Owning Co., be and they hereby are tentatively approved;

2. Interested persons are hereby afforded a period of ten (10) days within which to file comments or request a hearing with respect to the Board's proposed action on the application in Docket 24534; [14] and

3. The Attorney General of the United States be furnished a copy of this order within 1 day of publication.

This order shall be published in the FEDERAL REGISTER.

By the Civil Aeronautics Board.

[SEAL] HARRY J. ZINK,
Secretary.

[FR Doc.72-12486 Filed 8-8-72;8:51 am]

---

[12] Cf. Ling-Temco-Vought, Inc. Order E-25989, November 17, 1967, Order 70-4-41, Apr. 9, 1970, and Order 70-6-7, June 1, 1970, involving Braniff Airways, Inc., and its subsidiary, Vought Helcopter, Inc.

[13] In particular the Board intends to monitor closely the intercompany transactions as part of its general concern with the relationships between air carriers and their affiliated enterprises. See Air Carrier Reorganization Investigation, Docket 24283, Order 72-3-27.

[14] Comments shall conform to the requirements of the Board's Rules of Practice for filing comments. Further, since an opportunity to file comments is provided for, petitions for reconsideration of this order will not be entertained.

FOREIGN-TRADE ZONES BOARD

[Docket No. 5-72]

SAULT STE. MARIE, MICH.

Notice of Filing and Investigation Regarding Application for a Foreign-Trade Zone

Notice is hereby given that the State of Michigan has applied to the Foreign-Trade Zones Board (the Board) for a grant of authority to establish a general-purpose zone at Sault Ste. Marie, Mich., a customs port of entry. The application was submitted for the State by its Department of Commerce pursuant to the provisions of the Foreign-Trade Zones Act of 1934, as amended (48 Stat. 998; 19 U.S.C. 81a), and the regulations of the Board (15 CFR Part 400). The applicant is authorized to make the application under Public Act No. 154 enacted by the Michigan legislature in 1963.

The application has been reviewed for compliance with the filing requirements of the Board's regulations and was filed on July 26, 1972. In accordance with the regulations an Examiners Committee has been appointed by the Acting Executive Secretary to conduct a thorough investigation of the proposal and report its findings to the Board. The Committee is composed of: Richard M. Seppa (Chairman), U.S. Department of Commerce, Washington, D.C., 20230; Donald E. Grimwood, Acting Deputy Assistant Regional Commissioner, Office of the Regional Commissioner of Customs, Region IX, Chicago, Ill. 60606; and Colonel Myron D. Snoke, District Engineer, U.S. Army Engineer District Detroit, Post Office Box 1027, Detroit, MI 48231.

Notice is hereby given that a public hearing on the application will be held by the Examiners Committee beginning at 10 a.m. local time, September 21, 1972, at the Commission Room, City-County Building, Court Street, Sault Ste. Marie, Mich. The purposes of the hearing are to inform interested persons on the proposal, to provide an opportunity for their expression of views, and to obtain information useful to the Examiners Committee.

Interested persons or their representatives will be afforded the opportunity of being heard at the hearing. Such persons should notify the Acting Executive Secretary in writing by September 13 of their desire to be heard. A written summary of their views should be submitted with an estimate of the time their presentation will require.

A copy of the application and accompanying exhibits will be available prior to the hearing and for 15 days after its conclusion at each of the following locations:

Office of the Executive Secretary, Foreign-Trade Zones Board, Room 2203, U.S. Department of Commerce, 14th and Constitution Avenue NW., Washington, D.C. 20230.
Sault Area Development Council, 240 West Portage Avenue, Sault Ste. Marie, MI 49783.

The proposal calls for the establishment of a general-purpose zone facility within an industrial park owned and operated by the Chippewa County Industrial Development Corp., a nonprofit organization. The industrial park located at Easterday Avenue and 12th Street West, Sault Ste. Marie, is comprised of 64 acres, 17 of which would be occupied by the zone. The grantee would designate the Chippewa County Industrial Development Corp. as the operational manager of the zone.

The zone would be used by firms engaged in international trade for storage, exhibition, and processing operations, and by firms involved in light manufacturing, processing, and assembly operations in which foreign goods and materials are used. Thus far, interest has been expressed by firms that would produce: Computer memories, recreational and all-terrain vehicles and components, precision tools, agricultural ecological devices, light metal stampings, and apparel.

As soon after the hearing as the transcript is available, a copy will be placed for public inspection at the two locations mentioned above for a period of 21 calendar days from the close of the hearing. The hearing record will remain open for the same period during which time submissions in writing may be made to the Examiners Committee. Such submissions should be mailed to the Acting Executive Secretary, Foreign-Trade Zones Board, Room 2203, U.S. Department of Commerce, 14th and Constitution Avenue NW., Washington, D.C. 20230.

Dated: August 4, 1972.

JOHN J. DAPONTE, Jr.,
Acting Executive Secretary,
Foreign-Trade Zones Board.

[FR Doc.72-12487 Filed 8-8-72;8:52 am]

NATIONAL CAPITAL PLANNING COMMISSION

[NCPC File No. 0735]

PROTECTION AND ENHANCEMENT OF ENVIRONMENTAL QUALITY IN THE NATIONAL CAPITAL REGION

Policies and Procedures

The Commission's policies and procedures for Protection and Enhancement of Environmental Quality in the National Capital Region, as amended through August 9, 1971, were published by the Council on Environmental Quality on December 11, 1971 (36 F.R. 23706-23709).

On December 2, 1971, March 2, 1972 and June 1, 1972, the Commission adopted amendments to its policies and procedures which were published by the Commission on February 10, 1972 (37 F.R. 3010), March 7, 1972 (37 F.R. 4936)

and June 3, 1972 (37 F.R. 11198), respectively. On August 3, 1972, the Commission adopted the following amendments:

1. Amend section 1(e) to read as follows:

(e) The Commission's Site and Building Plans Requirements (37 F.R. 3011) require each District of Columbia and Federal agency submitting proposed developments in the National Capital Region for Commission review pursuant to section 5 of the National Capital Planning Act of 1952, as amended, to submit either an Environmental Statement in accordance with section 102(2)(C) of the National Environmental Policy Act of 1969 and section 6(a) of the Council on Environmental Quality's Guidelines for Statements on Proposed Federal Actions Affecting the Environment (hereinafter called "Guidelines"), or, if section 102(2)(C) of NEPA does not apply, a written Description of Environmental Impact or an equivalent that includes the points enumerated in section 6(a) of the Guidelines.

2. Redesignate subsection (f) of section 1 as subsection (g) and add a new subsection (f) to read as follows:

(f) The Environmental Statements and Descriptions of Environmental Impact for actions initiated by the Commission shall contain the points enumerated in section 6(a) of the Guidelines and shall identify the studies, reports, and other information used in their preparation. The Commission will inform other agencies and interested members of the public of (1) decisions to prepare Environmental Statements in order to insure early and optimal identification of environmental issues and their potential impacts, and (2) the existence and availability of such Statements, when prepared.

3. Add the following at the end of subparagraph (c) of the first paragraph of section 2:

The appropriate Maryland and Virginia authorities shall submit the necessary environmental information to enable the preparation of either an Environmental Statement or a Description of Environmental Impact.

4. Amend subparagraph (b) of the first paragraph of section 3 to read as follows:

(b) Require that all submissions by District agencies pursuant to section 5 of the National Capital Planning Act of 1952, as amended, include either an Environmental Statement in accordance with section 102(2)(C) of the National Environmental Policy Act of 1969 and section 6(a) of the Guidelines, or, if section 102(2)(C) of NEPA does not apply, a written Description of Environmental Impact or an equivalent, that includes the points enumerated in section 6(a) of the Guidelines.

5. Add a new section to read as follows:

5. COMMISSION REVIEW OF ENVIRONMENTAL STATEMENTS

Pursuant to section 7 of the Guidelines, the Commission reviews and comments on Environmental Statements prepared by other agencies for proposed developments within the National Capital Region.

If the Environmental Statement relates to a proposed development on which the Commission has taken action pursuant to section 5 of the National Capital Planning Act of 1952, as amended, or on which the Commission otherwise has an established policy, the Executive Director shall submit comments to the sponsoring agency consistent with such action or established policy.

If the Environmental Statement relates to a proposed development on which the Commission has not taken pursuant to section 5 of the National Capital Planning Act of 1952, as amended, or on which the Commission otherwise has no established policy, the Executive Director shall submit to the Commission for approval his proposed comment to the sponsoring agency.

I, Daniel H. Shear, Secretary to the Commission, hereby certify that the foregoing is a true copy of amendments to policies and procedures for protection and enhancement of environmental quality in the National Capital Region.

DANIEL H. SHEAR,
Secretary to the Commission.

AUGUST 3, 1972.

[FR Doc.72-12491 Filed 8-8-72;8:52 am]

FEDERAL COMMUNICATIONS COMMISSION

[Report 607]

COMMON CARRIER SERVICES INFORMATION [1]

Domestic Public Radio Services Applications Accepted for Filing [2]

JULY 31, 1972.

Pursuant to §§ 1.227(b)(3) and 21.30(b) of the Commission's rules, an application, in order to be considered with any domestic public radio services application appearing on the attached list below, must be substantially complete and tendered for filing by whichever date is earlier: (a) The close of business one business day preceding the day on which the Commission takes action on the previously filed application; or (b) within 60 days after the date of the public notice listing the first prior filed application (with which subsequent applications are in conflict) as having been accepted for filing. An application which is subsequently amended by a major change will be considered to be a newly filed application. It is to be noted that the cut-off dates are set forth in the alternative—applications will be entitled to consideration with those listed in the appendix below if filed by the end of the 60-day period, only if the Commission has not acted upon the application by that time pursuant to the first alternative earlier date. The mutual exclusivity rights of a new application are governed by the earliest action with respect to any one of the earlier filed conflicting applications.

The attention of any party in interest desiring to file pleadings pursuant to section 309 of the Communications Act of 1934, as amended, concerning any domestic public radio services application accepted for filing, is directed to § 21.27 of the Commission's rules for provisions governing the time for filing and other requirements relating to such pleadings.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] BEN F. WAPLE,
Secretary.

[1] All applications listed in the appendix are subject to further consideration and review and may be returned and/or dismissed if not found to be in accordance with the Commission's rules, regulations and other requirements.

[2] The above alternative cut-off rules apply to those applications listed in the appendix as having been accepted in Domestic Public Land Mobile Radio, Rural Radio, Point-to-Point Microwave Radio, and Local Television Transmission Services (Part 21 of the Rules).

APPENDIX

APPLICATIONS ACCEPTED FOR FILING

DOMESTIC PUBLIC LAND MOBILE RADIO SERVICE

340-C2-P-73—Minnesota Communications Corp. (KDN408), change the antenna system and relocate facilities operating on 152.090 MHz to the First National Bank Building, 120 South Sixth Street, Minneapolis, MN.

341-C2-P-73—Gulf Mobilphone Alabama, Inc. (KRS664), for additional facilities to operate on 158.700 MHz at location No. 2: Loyola and College Lanes, Mobile, Ala.

342-C2-P-73—Minnesota Communications Corp. (KSV993), change the antenna system and relocate facilities operating on 158.700 MHz to the First National Bank Building, 120 South Sixth Street, Minneapolis, MN.

369-C2-MP-73—Hawaiian Telephone Co. (KLF527), relocate facilities operating on 35.32 MHz at location No. 3 to: 84-1130 Kaulawaha Road, Makaha, Hawaii.

372-C2-P-73—Message-Mate (New), for a new two-way station to be located on Pine Street, Rehoboth, Mass., to operate on 454.225 MHz.

397-C2-P-73—San Juan Radio Telephone Corp. (KQZ767), for additional facilities to operate on 158.700 MHz, located at Hato Rey, P.R.

433-C2-P-73—Big Sky Radio Paging (New), for a new two-way station to be located at 0.75 mile east of Bozeman, Mont., to operate on 152.030 MHz.

434-C2-P-(3)—Tel-Car Corp. (KIB527), add standby facilities to operate on 152.090 and 152.180 MHz, change the antenna system and relocate facilities operating on 152.090, 152.180, and 454.075 MHz at location No. 1 to: 111 Northeast Second Avenue, Miami, Fla.

435-C2-P-73—Electro-Craft, Inc. (KOP323), for additional facilities to operate on 152.090 MHz at a new site described as location No. 2: on U.S. Highway No. 16, 1.6 miles south of Rapid City, S. Dak.

Correction

36-C2-P-73—John T. Hubbard, doing business as Radio Dispatch Co. (KIY504), correct file number to read: 37-C2-P-73. For other particulars see Report No. 605, dated 7-17-72.

RURAL RADIO SERVICE

329-C1-P/ML-73—RCA Alaska Communications, Inc. (WGF74), replace transmitter operating on 454.450 MHz. Location: Approximately 25.3 miles northwest of Kenai, Marathon West Forelands, Alaska.

330-C1-P/ML-73—Same (WGF75), replace transmitter, change the antenna system and relocate facilities operating on 459.550 MHz. Location: B Street, mounted on water tower, Tyonek, Alaska.

331-C1-P/ML-73—Same (WGF76), same as above except, frequency 454.650 MHz and location: Shell Oil-C Platform, 16 miles north-northwest of Kenai, Alaska.

332-C1-P/ML-73—Same (WGF77), same except, frequency 459.650 MHz and location: Shell Oil Co. Platform A, 18.5 miles north-northwest of Kenai, Alaska.

333-C1-P/ML-73—Same (WGF78), same except, frequency 454.550 MHz and location: Nikishka, 12 miles north of Kenai, Alaska.

334-C1-P/ML-73—Same (WGF79), replace transmitter and change the antenna system operating on 459.450 MHz. Location: Marathon, Dolly Varden Platform, 21.5 miles north-northwest of Kenai, Alaska.

370-C1-P-73—Mogollon Mountains Telephone Co. (New), for a new central office fixed station to be located at 0.5 mile southeast of village, Glenwood, N. Mex., to operate on 454.550 MHz.

371-C1-P-73—Same (KLV36), for additional facilities to operate on 459.550 MHz, located at Brushy Mountain, 9 miles south of Mule Creek, N. Mex.

432-C1-P-73—Texas Telephone & Telegraph Co. (New), for a new rural subscriber station to be located at 11 miles northwest of Crockett, Tex., to operate on 158.040 MHz.

POINT-TO-POINT MICROWAVE RADIO SERVICE

335-C1-P/ML-73—RCA Alaska Communications, Inc. (WGF63), 12 miles north of Kenai, Nikishka, Alaska. Latitude 60°43'13" N., longitude 151°21'51" W. C.P. to change polarization from H to V on frequency 3730.0 MHz toward Soldotna, Alaska; add frequency 2114.6H MHz toward Baker Platform, Alaska; frequency 2121.8H MHz toward Anna Platform, Alaska.

336-C1-P/ML-73—Same (WGF64), 16 miles north-northwest of Kenai, Shell Oil-C Platform, Alaska. Latitude 60°45'50" N., longitude 151°30'07" W. C.P. to change antenna system and antenna location on frequency 2168.2V MHz toward Nikishka, Alaska.

337-C1-P/ML-73—Same (WGF66), approximately 25.3 miles northwest of Kenai, West Forelands, Alaska. Latitude 60°48'55.52" N., longitude 151°46'52.50" W. C.P. to change antenna system on frequency 2171.8H MHz toward Grayling Platform, Alaska; 2175.4V MHz toward Nikishka, Alaska.

338-C1-P/ML-73—Same (WGF67), 23 miles north-northwest of Kenai, Union Oil Grayling Platform, Alaska. Latitude 60°50'24" N., longitude 151°36'55" W. C.P. to change antenna system on frequency 2164.6V MHz toward Trading Bay Platform, Alaska; 2121.8H MHz toward West Forelands, Alaska.

339-C1-P/ML-73—Same (WGF68), 26 miles north-northwest of Kenai, Union Oil Trading Bay Platform, Alaska. Latitude 60°53'49" N., longitude 151°34'45" W. C.P. to change antenna system on frequency 2114.6V MHz toward Grayling Platform, Alaska.

373-C1-P-73—Southwestern Bell Telephone Co. (KLV30), 24 miles north of Amarillo, Tex. Latitude 35°33'53" N., longitude 101°54'25" W. C.P. to add frequency 6241.7V MHz toward Sanford, Tex.

374-C1-P-73—Same (KLV34), 4.6 miles southeast of Sanford, Tex. Latitude 35°39'16" N., longitude 101°28'31" W. C.P. to add frequency 5960.0H MHz toward Borger, Tex.; 5989.7V MHz toward John Ray, Tex.

375-C1-P-73—Same (KLV31), southwest corner of Brain and Ninth Streets, Borger, Tex. Latitude 35°40'31" N., longitude 101°23'07" W. C.P. to add frequency 6241.7V MHz toward Stinnett Station, Tex.; 6212.0H MHz toward Sanford, Tex.

376-C1-P-73—Same (KLV32), 13 miles northeast of Pringle, Tex. Latitude 36°02'14" N., longitude 101°16'58" W. C.P. to add frequency 5989.7V MHz toward Borger, Tex.

INFORMATIVE: West Texas Microwave, Inc., has separated its TV network video proposal for Texas from specialized carrier proposal as contained in applications, Files Nos. 6133 through 6163-C1-P-70, by filing 14 new applications, Files Nos. 9309 through 9322-C1-P-72, which now represent the video portion of its proposal. Since these new applications make no change to the existing proposal (other than separation into two proposals), the 30-day

POINT-TO-POINT MICROWAVE RADIO SERVICE—continued

period specified by section 309(b) of the Communications Act does not apply. Applications 6133 through 6163-C1-P-70 were filed April 13, 1970, and appeared on Public Notice, April 20, 1970, FCC Report No. 488. Subsequent amendments appeared on Public Notice, August 16, 1971, FCC Report No. 557.

362-C1-P-73—The Midland Telephone Co. (New), Bullfrog Basin, Utah. Latitude 37°32'45" N., longitude 110°42'33" W. C.P. to add frequency 2112.0H MHz toward Clay Hills, Utah.

363-C1-P-73—Same (New), Clay Hills, Utah. Latitude 37°23'59" N., longitude 110°19'-26" W. C.P. to add frequencies 2170.0V MHz toward Cedar Mesa, Utah; 2162.0H MHz toward Bullfrog Basin, Utah.

364-C1-P-73—Same (KPC55), Mexican Hat, Utah. Latitude 37°09'11" N., longitude 109°-51'54" W. C.P. to add frequency 2112.0V MHz toward Cedar Mesa, Utah.

365-C1-P-73—Same (New), Cedar Mesa, Utah. Latitude 37°17'40" N., longitude 109°56'00" W. C.P. to add frequency 2128.0H MHz toward Blanding, Utah; frequency 2162.0V MHz toward Mexican Hat, Utah; frequency 2120.0V MHz toward Clay Hills, Utah.

366-C1-P-73—Same (KPX20), 51 West First Street, Blanding, Utah. Latitude 37°37'24" N., longitude 109°28'48" W. C.P. to add frequency 6204.7H MHz toward Blue Ridge, Utah; frequency 2178.0H MHz toward Cedar Mesa, Utah.

367-C1-P-73—Same (New), Blue Ridge, Utah. Latitude 37°48'54" N., longitude 109°25'-30" W. C.P. to add frequencies 6011.9V MHz toward Bald Mesa, Utah; 5952.6H MHz toward Blanding, Utah.

368-C1-P-73—Same (KPN73), LaSal Mountain, Bald Mesa, Utah. Latitude 38°31'43" N., longitude 109°19'28" W. C.P. to add frequency 6264.0V MHz toward Blue Ridge, Utah.

439-C1-P-73—The Mountain States Telephone & Telegraph Co. (KYJ78), latitude 41°38'-15" N., longitude 107°23'11" W. C.P. to add frequency 2128.4H MHz toward Lamont, Wyo.; 13.6 miles southwest of Rawlins, Wyo.

440-C1-P-73—Same (WBP79), 1,000 feet southwest of Lamont Public School, Lamont, Wyo. Latitude 42°13'00" N., longitude 107°28'18" W. C.P. to add frequencies 6019.3V MHz toward Jeffery City via Passive Reflector; 2178.4H MHz toward Separation Peak, Wyo.

441-C1-P-73—Same (New), northwest corner of the intersection of U.S. Highway 287 and Mill Road, Jeffery City, Wyo. Latitude 42°29'43" N., longitude 107°49'31" W. C.P. to add frequency 6271.4V MHz toward Lamont, Wyo. via Passive Reflector.

9509-C1-MP-72—General Telephone Co. of Florida (KIL88), corner of Zack and Morgan Streets, Tampa, Fla. Latitude 27°57'01" N., longitude 82°27'24" W. C.P. to add frequency 5989.7V MHz toward St. Petersburg, Fla. (WLCY-TV).

9510-C1-P-72—Same (WHU37), WLCY-TV, 11450 Gandy Boulevard, St. Petersburg, Fla. Latitude 27°52'10" N., longitude 82°36'58" W. C.P. to add frequency 6241.7V MHz toward Tampa, Fla.

9511-C1-P-72—General Telephone Co. of Florida (KIO66), Pine Place and Bamboo Lane, Sarasota, Fla. Latitude 27°20'06" N., longitude 82°32'10" W. C.P. to add frequency 11285V MHz toward WXLT-TV, Sarasota, Fla.

(Informative: American Telephone & Telegraph Co. C.P.'s (32) to construct one pair of telephone channels between Louisville, Ky. and Montclair, Ind. via Payneville, Ky. and two pairs between Payneville and Villa Rica, Ga. and between Montclair and Lee, Ill.)

442-C1-P-73—(KIK64), 531 West Chestnut Street, Louisville, Ky. Add 3970V MHz toward Lanesville, Ind.

443-C1-P-73—(KSJ47), 3.8 miles southeast of Lanesville, Ind. Add 4010V MHz toward Louisville Ky.; 4010V MHz toward Payneville, Ky.

444-C1-P-73—(KIM60), 0.7 mile northwest of Payneville, Ky. Add 3970V MHz toward Lanesville, Ind.; 4070V MHz toward Leopold, Ind.; 4070V and 4150V MHz toward Madrid, Ky.

445-C1-P-73—(KIM66), 1.8 miles northeast of Madrid, Ky. Add 4030V and 4110V MHz toward Payneville, Ky.; 4030H and 4110H MHz toward Brownsville, Ky.

446-C1-P-73—(KIM71), 3.5 miles north-northwest of Brownsville, Ky. Add 4070H and 4150H MHz toward Madrid, Ky.; 4070V and 4150V MHz toward Game, Ky.

447-C1-P-73—(KIM73), 0.6 mile north of Game, Ky. Add 4030V and 4110V MHz toward Brownsville, Ky.; 4030V and 4110V MHz toward Flippen, Ky.

448-C1-P-73—(KIM78), 4.0 miles east of Flippen, Ky. Add 4070V and 4150V MHz toward Game, Ky.; 4070V and 4150V MHz toward Gainesboro, Tenn.

POINT-TO-POINT MICROWAVE RADIO SERVICE—continued

449-C1-P-73—(KIM86), 3.6 miles south-southeast of Gainesboro, Tenn. Add 4030V and 4110V MHz toward Flippen, Ky.; 4030V and 4110V MHz toward Smithville, Tenn.

450-C1-P-73—(KIM90), 3.4 miles northeast of Smithville, Tenn. Add 4070V and 4150V MHz toward Gainesboro, Tenn.; 4070H and 4150H MHz toward Spencer, Tenn.

451-C1-P-73—(KIM91), 7.2 miles south of Spencer, Tenn. Add 4030H and 4110H MHz toward Smithville, Tenn.; 4030V and 4110V MHz toward Coalmont, Tenn.

452-C1-P-73—(KIN20), 1.0 mile west-northwest of Coalmont, Tenn. Add 4070V and 4150V MHz toward Spencer, Tenn.; 4070H and 4150H MHz toward Orme, Tenn.

453-C1-P-73—(KIN32), 3.0 miles north of Orme, Tenn. Add 4030H and 4110H MHz toward Coalmont, Tenn.; 4030H and 4110H MHz toward Rosalie, Ala.

454-C1-P-73—American Telephone & Telegraph Co. (KIN28), 1.8 miles west-southwest of Rosalie, Ala. Add 4070H and 4150H MHz toward Orme, Tenn.; 4070H and 4150H MHz toward Collbran, Ala.

455-C1-P-73—(KIN34), 1.6 miles south of Collbran, Ala. Add 4030H and 4110H MHz toward Rosalie, Ala.; 4030V and 4110V MHz toward Haney, Ga.

456-C1-P-73—(KIN35), 1 mile south-southeast of Haney, Ga. Add 4070V and 4150V MHz toward Collbran, Ala.; 4070H and 4150H MHz toward Buchanan, Ga.

457-C1-P-73—(KIN39), 6 miles east-northeast of Buchanan, Ga. Add 4030H and 4110H MHz toward Haney, Ga.; 4030H and 4110H MHz toward Villa Rica, Ga.

458-C1-P-73—(KIT28), 1.8 miles east of Villa Rica, Ga. Add 4070H and 4150H MHz toward Buchanan, Ga.

459-C1-P-73—(KSA49), 3.5 miles north-northeast of Lee, Ill. Add 4030H and 4110H MHz toward Newark, Ill.

460-C1-P-73—(KIL68), 2.5 miles northeast of Newark, Ill. Add 4070H and 4150H MHz toward Lee, Ill.; 4070H and 4150H MHz toward Verona, Ill.

461-C1-P-73—(KIL83), 1.8 miles south of Verona, Ill. Add 4030H and 4110H MHz toward Newark, Ill.; 4030H and 4110H MHz toward Herscher, Ill.

462-C1-P-73—(KIM22), 4.5 miles south of Herscher, Ill. Add 4070V and 4150V MHz toward Verona, Ill.; 4070V and 4150V MHz toward Onarga, Ill.

463-C1-P-73—(KIM23), 2.2 miles northeast of Onarga, Ill. Add 4030V and 4110V MHz toward Herscher, Ill.; 4030H and 4110H MHz toward East Lynn, Ill.

464-C1-P-73—(KIM29), 0.3 mile northwest of East Lynn, Ill. Add 4070H and 4150H MHz toward Onarga, Ill.; 4070V and 4150V MHz toward Williamsport, Ind.

465-C1-P-73—(KIM34), 2.9 miles west of Williamsport, Ind. Add 4030V and 4110V MHz toward East Lynn, Ill.; 4030V and 4110V MHz toward Crawfordsville, Ind.

466-C1-P-73—(KIM35), 2.1 miles southwest of Crawfordsville, Ind. Add 4070V and 4150V MHz toward Williamsport, Ind.; 4070H and 4150H MHz toward Montclair, Ind.

467-C1-P-73—(KSB67), 3.5 miles north-northwest of Danville, Ind. Add 4030H and 4110H MHz toward Crawfordsville, Ind.; 4030V MHz toward Cloverdale, Ind.

468-C1-P-73—(KIM41), 6.4 miles south of Cloverdale, Ind. Add 4070V MHz toward Montclair, Ind.; 4070V MHz toward Freedom, Ind.

469-C1-P-73—(KIM42), 3 miles west of Freedom, Ind. Add 4030V MHz toward Cloverdale, Ind.; 4030H MHz toward Marco, Ind.

470-C1-P-73—(KIM45), 2.3 miles west of Marco, Ind. Add 4070H MHz toward Freedom, Ind.; 4070H MHz toward Montgomery, Ind.

471-C1-P-73—(KIM47), 3.8 miles south-southeast of Montgomery, Ind. Add 4030H MHz toward Marco, Ind.; 4030V MHz toward Schnellville, Ind.

472-C1-P-73—(KIM51), 3.1 miles southwest of Schnellville, Ind. Add 4070V MHz toward Montgomery, Ind.; 4070V MHz toward Leopold, Ind.

473-C1-P-73—(KIM52), 4 miles northeast of Leopold, Ind. Add 4030 MHz toward Schnellville, Ind.; 4030 MHz toward Payneville, Ky.

Correction

9484-C1-P-72—Madison Valley Telephone Co. (New), correct points of communication to read: Frequency 11,155H MHz toward Big Sky, Mont. via Passive Reflector; frequency 10,915V MHz toward Big Sky, Mont. via Passive Reflector.

469-C1-P-73—(KIM42), 3 miles west of Freedom, Ind. Add 4030V MHz toward Cloverdale, Ind.; 4030H MHz toward Marco, Ind.

470-C1-P-73—(KIM45), 2.3 miles west of Marco, Ind. Add 4070 MHz toward Freedom, Ind.; 4070H MHz toward Montgomery, Ind.

471-C1-P-73—(KIM47), 3.8 miles south-southeast of Montgomery, Ind. Add 4030H MHz toward Marco, Ind.; 4030V MHz toward Schnellville, Ind.

472-C1-P-72—(KIM51), 3.1 miles southwest of Schnellville, Ind. Add 4070V MHz toward Montgomery, Ind.; 4070V MHz toward Leopold, Ind.

473-C1-P-73—(KIM52), 4 miles northeast of Leopold, Ind. Add 4030H MHz toward Schnellville, Ind.; 4030V MHz toward Payneville, Ky.

9484-C1-P-72—Madison Valley Telephone Co. (New), correct points of communication to read: Frequency 11,155H MHz toward Big Sky, Mont. via Passive Reflector; frequency 10,915V MHz toward Big Sky, Mont. via Passive Reflector.

MULTIPOINT DISTRIBUTION SERVICE

359-C1-P-73—A. Michael Lipper (New), Medico Dental Building, Miner & Sutter Streets, Stockton, Calif. Latitude 37°57'23" N., longitude 121°17'07" W. C.P. to add frequency 2154.750(Visual) 2150.250(Aural) toward various receiving points of the system.

360-C1-P-73—Same (New) Holly Sugar Building, in the Chase Stone Center, Pikes Peak Avenue and Cascade Avenue, Colorado Springs, Colo. Latitude 38°50'02" N., longitude 104°49'32" W. C.P. to add frequency 2154.750(Visual) 2150.250(Aural) toward various receiving points of the system.

361-C1-P-73—Huntsville Signal Co., Inc. (New), 906 Monte Sano Boulevard, Huntsville, Ala. Latitude 34°44'19" N., longitude 86°31'56" W. C.P. to add frequency 2154.75H(Visual) 2150.25H(Aural) toward various receiving points of the system.

[FR Doc.72-12470 Filed 8-8-72;8:50 am]

[Docket No. 19558; FCC 72-673]

OVERSEAS DATAPHONE SERVICE

Notice of Inquiry Regarding Future Authorization Policy

Inquiry into policy to be followed in future authorization of overseas dataphone service, Docket No. 19558.

1. By letter of June 17, 1971, the Xerox Corp. requested the Commission to give consideration to the removal of existing limitations which restrict the public's use of the switched telephone network from the overseas transmission of data and facsimile signals alternately with voice. It appears that this letter is growing evidence of an increasing public interest in the availability of a service, similar to that available among the 48 contiguous States and between those States and Hawaii, Alaska, and Canada and commonly referred to as "dataphone" service. In general, dataphone service permits subscribers to message toll telephone service, who have secured appropriate equipment, to use that service to send data, facsimile, or record communications alternately with voice at regular message rates. The aforementioned letter asserts that currently available pro-overseas transmission of data and facsimile signals and are unsatisfactory in overesas transmission of data and facsimile signals and ae unsatisfactory in meeting the needs of many users, as they induce the recording and retransmission of the signal at each international gateway resulting in so much loss of time, flexibility, message quality, and confidentiality as to be unacceptable, even without consideration of the costs involved. The Xerox Corp. also asserts that many users have significant demands for data and facsimile service, but their requirements do not justify a dedicated private line for alternate or simultaneous transmission of voice and record communications.

2. American Telephone and Telegraph Co. (AT&T) and the three principal record carriers were requested by letter dated July 2, 1971, to comment on the request of the Xerox Corp. AT&T replied that the request appeared a reasonable one, and that AT&T customers in the overseas field have also indicated similar requirements. It further states that, while details remain to be worked out, AT&T takes a favorable view of the request and would file an appropriate application and tariff revisions as soon as practical.

3. RCA Global Communications, Inc. (RCA Globcom) and Western Union International, Inc. (WUI) submitted statements in which they maintain that their services, without accompanying unlimited voice use and without access to the domestic telephone network are not serving the public need. These companies and ITT World Communications Inc. (ITT Worldcom) maintain that dataphone service is essentially a record service, and under the principles of the Commission's TAT-4 decision (American Telephone and Telegraph Co., 37 F.C.C. 1151 (1964)) cited by some of these carriers the international record carriers

should be authorized to provide the overseas portion of the service with unlimited access to the domestic telephone systems. These carriers maintain that the telephone company should volunteer interconnection of its domestic network. ITT Worldcom suggests it will initiate negotiations for interconnections and ask the Commission to assist in this regard. RCA Globcom and WUI request that in the event of AT&T's failure to permit interconnection, the Commission should order it to do so. These carriers state, as indicated, that the interconnection of the domestic telephone network with their facilities is technically feasible, but they include no data on equipment required for such purpose; the cost thereof; the procedures for handling calls, including those involving direct distance dialing and those handled by operators; the delay, if any, in calls handled by the telegraph carriers' overseas facilities; prospective rates; billing procedures; divisions of tolls among the telephone company or companies involved, the international record carriers and the foreign carrier or carriers, availability of direct circuits to overseas countries, and the procedures and arrangements for the handling of calls at and beyond these carriers' overseas terminals.

4. ITT Worldcom notes that initiation of the service depends on first obtaining agreement with its foreign correspondents. It believes that initiation of the service should be based on an international consensus regarding operating agreements and standards. It further states the CCITT has a joint working party with respect to new networks and data transmission and that further information on this subject should be forthcoming. Monthly reports filed with the Commission do not indicate there have been negotiations between the U.S. carriers and foreign countries. The willingness of the foreign carriers to participate in providing the service either with the record companies, the telephone companies, or both, and particularly the possibility of the interconnetion of the record carriers' overseas circuits to the foreign telephone networks are matters to be explored and considered in formulating a policy for the provision of overseas dataphone service.

5. The record carriers also maintain that if the telephone company is permitted to provide dataphone service to overseas points there will be a serious adverse economic impact on their existing services. They do not however, give us specifics with respect to the types of traffic, the estimated amounts of revenue to be affected, the basis of such estimates or the expected volume of traffic and revenues forecast for the dataphone services.

6. In the Commission's recent inquiry into practices to be followed in the future licensing of facilities for overseas communications (Docket No. 18875), both RCA Globcom and WUI submitted estimates for circuit requirements predicated upon the record carriers being authorized to provide the service. During the course of that proceeding remarks were made indicating that dataphone service is totally impractical over satellite circuits. WUI, in that proceeding, indicated cable circuits are essential for providing dataphone service. In response to such claims, the Communications Satellite Corp. (Comsat) states that dataphone service is being provided via satellite circuits between Hawaii and the Mainland. Comsat does state, that some error detection and correction systems essential to some data transmission systems are not technically compatible with satellite circuits in that they were developed for cable application. It further states, however, that there is new equipment on the market that adequately performs the required error detection and correction functions when used with satellite circuits. ITT Worldcom, WUI and RCA Globcom, in their most recent comments, have not indicated whether or not they believe satellite circuits will be satisfactory for providing dataphone service with the use of error detection and correction equipment which Comsat alleges is suitable for use with satellite circuits.

7. WUI's initial application for satellite circuits for service to Europe (File No. T-C-1896) among other things requested 25 satellite circuits for providing dataphone service to Europe. This portion of the application, although withdrawn, requested that the record carriers be accorded the exclusive right to provide dataphone service; that AT&T be required to provide interconnection between its domestic telephone network and the record carriers' overseas circuits; and that AT&T be denied satellite circuits for such use unless it agreed to make the requested interconnections. The Western Union Telegraph Co. (WUT) filed comments in this matter indicating a desire to provide the domestic portion of the dataphone service or other data/voice overseas service. Questions were also raised as to the compatibility of the equipment of WUT and of AT&T for dataphone service with equipment of foreign administrations. Contrary to the assertions of the record carriers, AT&T stated its equipment for dataphone service is compatible, except in minor respects, with overseas equipment built to CCITT specifications. With respect to WUI's claim that the record carriers should be accorded the exclusive right to provide dataphone service, based in part on the Commission's TAT-4 proceeding, AT&T took the position that such decision was not determinative of whether or not AT&T should provide dataphone service. AT&T calls attention to the Commission's statement, in connection with the revision of its tariff and that of Hawaiian Telephone Co. to introduce dataphone service between the Mainland and Hawaii, that AT&T's right to furnish dataphone service to overseas points, except Hawaii, will be decided by the Commission when and if AT&T applies for authorization to provide such services. Hawaiian Telephone Co. also filed a statement in this proceeding in opposition to interconnection between telephone networks and the facilities of the international record carriers.

8. On July 14, 1972, WUI tendered for filing an application again requesting authorization pursuant to section 214 of the Communications Act of 1934 to: (a) Provide overseas dataphone service, this time to all overseas points; and (b) acquire on an indefeasible right-of-user basis a one-half interest in 12 voice circuits in the CANTAT-II cable system for the provision of this service between the United States and the United Kingdom. The application, as tendered, is defective in that it fails to provide most of the essential information required to be contained in such an application by § 63.01 of the Commission's rules. The application, among other things, fails to: (a) Describe how the proposed interconnection with the domestic telephone network would be effectuated; (b) give a description of the cost of necessary equipment needed to effect such interconnection and the other costs involved in providing the proposed service; (c) recite any estimate of demand for the proposed service; (d) give any estimate of the revenues expected to be produced by the proposed service; and (e) provide a statement of the proposed tariff charges and regulations for the proposed service. In view of these deficiencies, the application will be returned as unacceptable for filing and consideration pursuant to section 1.746 of the Commission's rules. In any event, as noted below, we do not believe the processing of individual applications would be a satisfactory method of arriving at policy determinations in this matter.

9. The foregoing indicates that there are numerous factors to be considered in determining whether or not dataphone or a similar service should be authorized to new overseas points, and which carrier, or carriers should be authorized to provide the service. We feel that we can best resolve the various questions by adopting policies governing the provision of dataphone service in the context of this inquiry rather than in passing on separate applications by the carriers to provide such service. We are therefore initiating this inquiry pursuant to sections 201, 202, 205, 212, 403, 4(i), 214, and 303(b), of the Communications Act of 1934, and subsection 201(c) of the Communications Satellite Act. To this end we are requesting interested parties to submit information, views, and recommendations with respect to the following matters (whenever appropriate, the data should be presented on a year-by-year basis through 1980):

(a) The nature and extent of the current and expected public demand for dataphone or an equivalent service between U.S. and overseas points, quantified in terms of messages and minutes, and the factors underlying such estimates.

(b) The nature and extent of current public usage of dataphone service between the contiguous 48 States and overseas points with which the service is now authorized.

(c) The technical and operational feasibility of providing dataphone or an equivalent service via satellite, including

the availability and cost of error detection and correction equipment.

(d) Whether the restrictions set forth in the facility authorizations issued to A.T. & T. and in the message toll telephone tariffs of A.T. & T. implementing such authorizations should be removed to permit use of the public switched telephone network for the overseas transmission of data and facsimile alternately with voice communications; and, in this connection,

(i) The costs of such proposed service, by principal items of investment and operating expenses;

(ii) The charges proposed to be made for such service;

(iii) The revenues, gross and net, expected from such service;

(iv) The operating methods which would be applied to such service; and

(v) Proposed arrangements, operating and financial, with overseas correspondent.

(e) Whether the international record carriers should be authorized to provide overseas dataphone or an equivalent service and, in this connection,

(i) The nature of interconnection and operating arrangements and agreements that would be involved between each international record carriers and domestic carriers, including billing practices, division of tolls, etc.;

(ii) The effect of such arrangements and agreements on speed, efficiency, quality, and cost of service which may be anticipated, in case of both customer and operator dialed calls;

(iii) Proposed arrangements, operating and financial, with overseas correspondents;

(iv) The costs which would be incurred by each respondent for such service, by principal items of investment and operating expenses;

(v) The charges proposed to be made for such service; and

(vi) The revenues, gross and net, expected from such service.

(f) The relative efficiencies of record carriers, on the one hand, and voice carriers, on the other, in furnishing such services;

(g) An estimate of number of circuits, in addition to those authorized each carrier for existing services, that will be required for the proposed services;

(h) The effect on the revenues and service requirements of each respondent carrier, should one or more carriers in addition to said respondent be authorized to provide overseas dataphone or equivalent services;

(i) How the public interest, convenience, and necessity will be served by authorizing one or more international carriers to provide overseas dataphone or equivalent services;

(j) Any other information considered relevant to this inquiry.

10. Pursuant to the applicable procedures set out in § 1.415 of the Commission's rules and regulations, interested parties may file written comments on or before the 60th day after release of this notice and reply comments on or before the 90th day after release of this notice relating to each of the foregoing matters applicable to it. An original and 14 copies of all comments shall be filed with the Commission. The following carriers are especially requested to respond to this inquiry and the appropriate questions above: Puerto Rico Telephone Co., All America Cables and Radio, Inc., American Telephone and Telegraph Co., Communications Satellite Corp., French Cable Co., Hawaiian Telephone Co., ITT World Communications, Inc., the Virgin Islands Telephone Co., ITT Communications, Inc.-Virgin Islands, Western Union International, Inc., RCA Alaska Communications, Inc., RCA Global Communications, Inc., Tropical Radio Telegraph Co., the Western Union Telegraph Co., and the U.S. Independent Telephone Association.

All persons filing comments should serve copies thereof on each of the persons listed above. Reply comments shall be served on the foregoing persons as well as any interested party filing original comments.

Adopted: July 26, 1972.

Released: July 31, 1972.

FEDERAL COMMUNICATIONS COMMISSION,[1]

[SEAL] BEN F. WAPLE,
Secretary.

[FR Doc.72-12473 Filed 8-8-72;8:52 am]

FEDERAL MARITIME COMMISSION

[Docket No. 72-31]

ATLANTIC LINES, LTD.—GENERAL

First Supplemental Order of Investigation and Suspension Regarding Increase in Rates in U.S. Atlantic/Gulf to Virgin Islands Trade

By order dated July 19, 1972, this Commission suspended 30 various revised pages of Atlantic Lines, Ltd. (Atlantic) Tariff FMC-F No. 5 and ordered an investigation and hearing to determine the lawfulness of the increases contained therein. Susequent to the filing of those 30 pages, Atlantic submitted 11th revised page 35 to the same tariff, containing increases similar to those on the 30 pages originally suspended. For the same reasons noted in the order of July 19, 1972, this Commission is of the opinion that 11th revised page 35 may be unjust, unreasonable, or otherwise unlawful and that the matter should be included in the public investigation and hearing now designated as Docket 72-31, Atlantic Lines, Ltd.—General Increase in Rates in the U.S. Atlantic/Gulf to Virgin Islands Trade, to determine its lawfulness under section 18(a) of the Shipping Act, 1916, and/or sections 3 and 4 of the Intercoastal Shipping Act, 1933, therefore:

It is ordered, That pursuant to the authority of section 22 of the Shipping Act, 1916 and sections 3 and 4 of the Intercoastal Shipping Act, 1933, an investigation is hereby instituted into the lawfulness of 11th revised page 35 to make such findings and orders as the facts and circumstances warrant. In the event the matter hereby placed under investigation is further changed, amended, or reissued, such matter will be included in this investigation;

It is further ordered, That pursuant to section 3, Intercoastal Shipping Act, 1933, 11th revised page 35 is hereby suspended and the use thereof deferred to and including November 18, 1972, unless otherwise ordered by this Commission;

It is further ordered, That there shall be filed immediately with the Commission by Atlantic Lines, Ltd., a consecutively numbered supplement to the aforesaid tariff which supplement shall bear no effective date, shall reproduce the portion of this order wherein the suspended matter is described and shall state the aforesaid matter is suspended and may not be used until November 19, 1972 unless otherwise authorized by the Commission; and the rates and charges heretofore in effect, and which were to be changed by the suspended matter shall remain in effect during the period of suspension, except as hereinbefore provided, and neither the matter suspended, nor the matter which is continued in effect as a result of such suspension may be changed until this proceeding has been disposed of or until the period of suspension has expired, unless otherwise ordered by the Commission: *Provided, however,* That changes in rates and provisions held in effect by reasons of suspension in this docket but only to the extent that such changes will result in a reduction in rates or charges, upon lawful notice, are hereby authorized.

It is further ordered, That the granted authority to effect reductions in rates on charges does not prejudice the right of the Commission to suspend any publication submitted pursuant thereto, either upon receipt of protests or upon the Commission's own motion, and that publications issued and filed pursuant to such authority shall bear the notation: "Authority granted by the Federal Maritime Commission in its Order of Investigation and Suspension in Docket No. 72-31 to make changes in rates and provisions held in effect by reason of suspension in said Docket, but only to the extent that such departure will result in a reduction of rates or charges."

It is further ordered, That copies of this order shall be filed with the said tariff schedules in the Bureau of Compliance of the Federal Maritime Commission;

It is further ordered, That this matter be joined with the matter previously set for investigation and hearing in Docket 72-31, Atlantic Lines, Ltd.—General Increase in Rates in the U.S. Atlantic/Gulf To Virgin Island Trade, and that its lawfulness be determined in the same proceeding, by the same examiner of the Commission's Office of Hearing Examiners;

It is further ordered, That a copy of this order shall forthwith be served on

[1] Chairman Burch absent; Commissioner Johnson concurring in the result; Commissioner Hooks not participating.

the respondent herein and published in the FEDERAL REGISTER.

By this Commission.

[SEAL] FRANCIS C. HURNEY, *Secretary.*

[FR Doc.72-12489 Filed 8-8-72;8:52 am]

NEW YORK SHIPPING ASSOCIATION/ INTERNATIONAL LONGSHOREMEN'S ASSOCIATION

Notice of Petition for Declaratory Order

There has been filed with the Federal Maritime Commission a joint petition of the New York Shipping Association, Inc., and the International Longshoremen's Association, AFL–CIO, for issuance by this Commission of an order declaring that the assessment formula arrived at between petitioners covering the period November 14, 1971, through September 30, 1974 (known as attachment "B" of their collective bargaining agreement), is not an agreement subject to section 15 of the Shipping Act, 1916 (46 U.S.C. 814). The petition states that copies thereof have been served on "each and every member, nonmember, and resigned member" of the New York Shipping Association, Inc.

Interested parties may inspect and obtain a copy of the petition at the Washington office of the Federal Maritime Commission, 1405 I Street NW., Room 1226; or may inspect the petition at the Field Offices located at New York, N.Y., New Orleans, La., and San Francisco, Calif. Reply to the petition may be submitted to the Secretary, Federal Maritime Commission, Washington, D.C. 20573 on or before August 25, 1972. Replies shall be filed in an original and 15 copies. Any person desiring a hearing with respect to the petition shall provide a clear and concise statement of the matters upon which they desire to adduce evidence.

Copies of any reply shall be served upon the following filing counsel:

C. P. Lambos, Lorenz, Finn, Giardino, and Lambos, 21 West Street, New York, NY 10006.

and

Thomas W. Gleason, Jr., Gleason and Miller, 1450 Broadway, New York, NY 10018.

By order of the Federal Maritime Commission.

[SEAL] FRANCIS C. HURNEY, *Secretary.*

[FR Doc.72-12418 Filed 8-8-72;8:46 am]

CERTIFICATES OF FINANCIAL RESPONSIBILITY (OIL POLLUTION)

Notice of Certificates Revoked

Notice of voluntary revocation is hereby given with respect to certificates of financial responsibility (Oil Pollution) which had been issued by the Federal Maritime Commission, covering the below-indicated vessels, pursuant to Part 542 of Title 46 CFR and section 11(p) (1) of the Federal Water Pollution Control Act, as amended.

Certificate No.	*Owner/operator and vessels*
01151	Overseas Tankship Corp.: Chevron Brussels.
01300	Crusader Shipping Co., Ltd.: Crusader.
01302	Boston Fuel Transportation, Inc.: Casco Bay.
01343	Hamburg - Sudamerikanische Dampfschifffahrts - Gesellschaft Eggert & Amsinck: Santa Rosa.
01380	The Atlantic Shipping & Trading Co., Ltd.: Landwade.
01428	The Ocean Steam Ship Co., Ltd.: Hector. Helenus.
01459	Palm Line, Ltd.: Badagry Palm. Bamenda Palm.
01478	Atlantic Sunrise Shipping Co., Ltd.: Atlantic Sunrise.
01617	Breeze Shipping Co., Ltd.: Atlantic Breeze.
01627	Atlantic Oil Carriers, Ltd.: Athina Livanos. George Livanos.
01628	Union Shipping Co., Ltd.: Atlantic Union.
01729	Essar Shipping Corporation of Monrovia: Ivo Logger.
01735	Laurence Compania Naviera S.A. Panama: Aristokleidis.
01854	Southern Towing Co.: STC-2019-B. STC-2015. STC-2518-B. STC-2509.
01910	Deutsche Dampfschifffahrts-Gesellschaft "Hansa": Wachtfels.
02202	Humble Oil & Refining Co.: Gissel 2201. Gissel 2202.
02246	Blue Star Line, Ltd.: Queensland Star. Hobart Star.
02256	Sigurd Haavik A/S: Mardina Reefer.
02289	L. Martin Et Cie: Manoka. Mungo. Biafra. Bamenda. Djundo.
02332	Lykes Bros. Steamship Co., Inc.: Tillie Lykes.
02396	Orchid Maritime Corp.: Kismet.
02441	Quebec & Ontario Transportation Co., Ltd. et al.: Gosforth.
02858	Intermarine, Inc.: Liechtenstein. Evelyn.
02877	Nippon Yusen Kabushiki Kaisha: Onoe Maru. Fushu Maru. Osumi Maru.
02889	Showa Kaiun K.K.: Nikko Maru.
02928	Phs Van Ommeren (France): Bacchus.
02961	Kobe Kisen K.K.: Equador Maru.
02992	Santa Marine Shipping Co. S.A., Panama: Marina.
02993	Zapa Shipping Co. S.A., Panama: Semira.
02997	May Shipping Co., Ltd., Cyprus: May.
03076	M.L. Crochet Towing Co., Inc.: T-2200.
03160	Libra Navigation Corp.: Kontiki.
03234	Companhia De Navegacao Lloyd Brasileiro: Barao De Amazonas. Barao De Maua. Barao De Jacequay. Taquari.
03441	Japan Line K.K.: Ryuei Maru. Dowa Maru.
03501	Osaka Shosen Mitsui Senpaku K.K.: Oppama Maru. Hamburg Maru. Harunasan Maru.
03637	P.A. Van Es & Co. N.V.: Bree Helle.
03710	Franconia Reederei G.m.b.H.: Weserfahrt.
03744	Ocean Fisheries, Inc.: Royal Pacific.
03839	Western Tankers Corp.: Western Comet. Western Clipper.
03871	Greclinea Shipping Co. S.A. of Panama: Silver Sea.
04000	J. D. Streett & Co.: JDS 128. JDS 126. ST 130. ST 133.
04037	Merichem Co.: MER-111.
04173	Foss Launch & Tug Co.: Foss 120.
04232	B & B Marine & Construction Corp.: Bollinger No. 10.
04233	S.B.A. Barge Co., Inc.: SBA-300. SBA-400.
04237	B & B Tug & Barge Co., Inc.: Bollinger No. 1. Bollinger No. 2. Bollinger No. 3.
04283	Horn-Linie: Hornstern. Hornkliff. Hornland. Hornberg. Hornsee.
04356	Pacific Far East Line, Inc.: Hongkong Bear.
04358	Holland Bulk Transport N.V.: Amstelveld. Stolt Westertoren.
04359	Reederei Nord Klaus E. Oldendorff: Nordlander. Nordwoge.
04398	Hapag-Lloyd Aktiengesellschaft: Goslar. Barenstein.
04403	Triangle Towing Co., Inc.: NBC-902. CT-830. Francis. Chotin 966. Chotin 967. Soky 9. No. 14. GTC-1.
04441	Pacific Hawaiian Line, Inc.: Henry Foss.
04624	Ketchikan Pulp Co.: KP10.
04642	South African Marine Corp., Ltd.: S.A. Pioneer.

Certificate No.	Owner/operator and vessels
04834---	Tidewater Barge Lines, Inc.:
	21.
	22.
	30.
	34.
05017---	Amerada Hess Corp.:
	F.C. 605.
	U.M.I.-1809-B.
05033---	Connecticut Towing, Inc. & Gasland, Inc.:
	Eileen T.
	New Haven.
05371---	Okinawa Kaiser Co., Ltd.:
	Taipan.
	Orient Carrier.
05550---	Cia. Vasco Cantabrica De Navegacion, S.A.:
	Frimar.
05806---	Partenreederei MS "Brunsdeich":
	Brunsdeich.
05910---	American Freezerships, Division of W. R. Grace & Co.:
	Theresa Lee.
	Americana.
06043---	Sunflower Transport & Trading Co. N.V.:
	Sylvia-2.
06167---	Kaps Transport, Ltd.:
	Beaufort Sea Explorer.
	Barge (383-331157).
	Barge (386-331160).
	Barge (393-344928).
	Barge (395-344930).
06308---	Cathay Trader Steamship Co., Ltd.:
	Oriental Trader.
	Kingsland Trader.
06903---	Sun Shipbuilding and Dry Dock Co.:
	Yard Hull No. 657.

By the Commission.

FRANCIS C. HURNEY,
Secretary.

[FR Doc.72-12490 Filed 8-8-72;8:52 am]

FEDERAL POWER COMMISSION

[Project No. 349-Martin]

ALABAMA POWER CO.

Notice of Availability of Environmental Statement for Inspection

AUGUST 3, 1972.

Notice is hereby given that on August 14, 1972, as required by § 2.81(b) of Commission regulations under Order 415-B (36 F.R. 22738, November 30, 1971) a draft environmental statement containing information comparable to an agency draft statement pursuant to section 7 of the Guidelines of the Council on Environmental Quality (36 F.R. 7724, April 23, 1971) was placed in the public files of the Federal Power Commission. This statement deals with an application filed pursuant to the Federal Power Act for new major license for Martin Project No. 349 located in the Counties of Coosa, Elmore, and Tallapoosa, Ala. on the Tallapoosa River.

This statement is available for public inspection in the Commission's Office of Public Information, Room 2523, General Accounting Office, 441 G Street NW., Washington, DC. Copies will be available from the National Technical Information Service, Department of Commerce, Springfield, Va. 22151.

The project consists of a dam approximately 168 feet high and 2,000 feet long, a powerhouse, and a reservoir with a surface area of about 40,000 acres. The present installed capacity is 154,200 kw. Applicant proposes in its application to install additional capacity ranging from 60,000 to 171,000 kw. depending on development of upstream storage.

Any person desiring to present evidence regarding environmental matters in this proceeding must file with the Federal Power Commission a petition to intervene, and also file an explanation of their environmental position, specifying any difference with the environmental statement upon which the intervenor wishes to be heard, including therein a discussion of the factors enumerated in § 2.80 of Order 415-B. Written statement by persons not wishing to intervene may be filed for the Commission's consideration. The petitions to intervene or comments should be filed with the Commission on or before 45 days from August 14, 1972. The Commission will consider all response to the statement.

MARY B. KIDD,
Acting Secretary.

[FR Doc.72-12474 Filed 8-8-72;8:50 am]

[Docket No. G-4071, etc.]

CLINTON OIL CO. ET AL.

Findings and Order After Statutory Hearing Issuing Certificates of Public Convenience and Necessity, Amending Orders Issuing Certificates, Permitting and Approving Abandonment of Service, Terminating Certificate, Making Successors Co-Respondent, and Accepting Rate Schedules for Filing

AUGUST 1, 1972.

Each applicant herein has filed an application pursuant to section 7 of the Natural Gas Act for a certificate of public convenience and necessity authorizing the sale for resale and delivery of natural gas in interstate commerce or for permission and approval to abandon service or a petition to amend an order issuing a certificate, all as more fully set forth in the applications and petitions to amend.

Applicants have filed FPC gas rate schedules or supplements to rate schedules on file with the Commission and propose to initiate, abandon, add, or discontinue in part natural gas service in interstate commerce as indicated in the tabulation herein.

The Commission's staff has reviewed each application and recommends each action ordered as consistent with all substantive Commission policies and required by the public convenience and necessity.

After due notice by publication in the FEDERAL REGISTER, a notice of intervention was filed by the Public Service Commission of the State of New York, in Docket No. CI72-554. No petitions to intervene, protests to the granting of the applications, or further notices of intervention have been filed. Inasmuch as the certificate in Docket No. CI72-554 will be issued in accordance with Opinions Nos. 598 and 598-A, it does not appear that a formal hearing is required.

At a hearing held on July 26, 1972, the Commission on its own motion received and made a part of the record in this proceeding all evidence, including the applications and petitions and exhibits thereto, submitted in support of the authorizations sought herein, and upon consideration of the record,

The Commission finds:

(1) Each applicant herein is a "natural-gas company" within the meaning of the Natural Gas Act as heretofore found by the Commission or will be engaged in the sale of natural gas in interstate commerce for resale for ultimate public consumption, subject to the jurisdiction of the Commission, and will, therefore, be a "natural-gas company" within the meaning of the Natural Gas Act upon the commencement of service under the authorizations hereinafter granted.

(2) The sales of natural gas hereinbefore described, as more fully described in the applications in this proceeding, will be made in interstate commerce subject to the jurisdiction of the Commission; and such sales by applicants, together with the construction and operation of any facilities subject to the jurisdiction of the Commission necessary therefor, are subject to the requirements of subsections (c) and (e) of section 7 of the Natural Gas Act.

(3) Applicants are able and willing properly to do the acts and to perform the service proposed and to conform to the provisions of the Natural Gas Act and the requirements, rules, and regulations of the Commission thereunder.

(4) The sales of natural gas by applicants, together with the construction and operation of any facilities subject to the jurisdiction of the Commission necessary therefor, are required by the public convenience and necessity; and certificates therefor should be issued as hereinafter ordered and conditioned.

(5) It is necessary and appropriate in carrying out the provisions of the Natural Gas Act and the public convenience and necessity require that the orders issuing certificates of public convenience and necessity in various dockets involved herein should be amended as hereinafter ordered.

(6) The sales of natural gas proposed to be abandoned, as hereinbefore described and as more fully described in the applications and in the tabulation herein, are subject to the requirements of subsection (b) of section 7 of the Natural Gas Act.

(7) The abandonments proposed by applicants herein are permitted by the public convenience and necessity and should be approved as hereinafter ordered.

(8) It is necessary and appropriate in carrying out the provisions of the Natural Gas Act that certain successors in

interest, who are herein authorized to continue sales of natural gas in interstate commerce, should be made co-respondents in their predecessors' rate proceedings.

(9) It is necessary and appropriate in carrying out the provisions of the Natural Gas Act that the FPC gas rate schedules and supplements related to the authorizations hereinafter granted should be accepted for filing.

The Commission orders:

(A) Certificates of public convenience and necessity are issued upon the terms and conditions of this order authorizing sales by applicants of natural gas in interstate commerce for resale, together with the construction and operation of any facilities subject to the jurisdiction of the Commission necessary therefor, all as hereinbefore described and as more fully described in the applications and in the tabulation herein.

(B) The certificates granted in paragraph (A) above, are not transferable and shall be effective only so long as applicants continue the acts or operations hereby authorized in accordance with the provisions of the Natural Gas Act and the applicable rules, regulations, and orders of the Commission.

(C) The grant of the certificates issued in paragraph (A) above shall not be construed as a waiver of the requirements of section 7 of the Natural Gas Act or of Part 154 or Part 157 of the Commission's Regulations thereunder and is without prejudice to any findings or orders which have been or which may hereafter be made by the Commission in any proceedings now pending or hereafter instituted by or against applicants. Further, our action in this proceeding shall not foreclose or prejudice any future proceedings or objections relating to the operation of any price of related provisions in the gas purchase contracts herein involved. The grant of the certificates aforesaid for service to the particular customers involved does not imply approval of all of the terms of the contracts, particularly as to the cessation of service upon termination of said contracts as provided by section 7(b) of the Natural Gas Act. The grant of the certificates aforesaid shall not be construed to preclude the imposition of any sanctions pursuant to the provisions of the Natural Gas Act for the unauthorized commencement of any sales of natural gas subject to said certificates.

(D) The orders issuing certificates of public convenience and necessity in various dockets are amended by adding thereto or deleting therefrom authorization to sell natural gas or by substituting successors in interest as certificate holders as more fully described in the applications and in the tabulation herein. In all other respects said orders shall remain in full force and effect.

(E) Applicants in the dockets indicated shall charge and collect the following rates, subject to B.t.u. adjustment where applicable:

Docket No.	Rate (cents per Mcf)	Pressure base (p.s.i.a.)
CI72-305	22.0	15.025
CI72-357	[1] 18.78	14.65
	[2] 20.3	14.65
CI72-554	22.0	15.025

[1] For casinghead gas.
[2] For gas well gas.

(H) The certificates and certificate authorization granted in Dockets Nos. G-4071, G-4074, G-4411, G-5712, G-6069, G-6070, G-6072, G-7482, G-12418, CI70-1025, CI72-305, CI72-357, CI72-465, CI72-478, CI72-494, and CI72-554 are subject to the Commission's findings and orders accompanying Opinions Nos. 586, 586-A, 595, 595-A, 607, and 607-A, as applicable. If the quality of the gas deviates at any time from the quality standards set forth in the regulations under the Natural Gas Act so as to require in downward adjustment of the existing rates, notices of changes in rate shall be filed pursuant to section 4 of the Natural Gas Act; *Provided, however,* That adjustments reflecting changes in B.t.u. content of the gas shall be computed by the applicable formula and charged without the filing of notices of changes in rate.

(I) Within 90 days from the date of this order, applicants in Dockets Nos. CI72-465, CI72-478, and CI72-494 shall each file three copies of a rate schedule-quality statement in the form prescribed in Opinions Nos. 607 and 586, as applicable. Within 90 days from the date of initial delivery, applicants in Dockets Nos. CI70-1025 and CI72-554 shall each file three copies of rate schedule-quality statements in the form prescribed in Opinions Nos. 586 and 598, as applicable.

(J) The certificate issued in Docket No. CI72-357 determines the rate which legally may be paid by the buyer to the seller but is without prejudice to any action which the Commission may take in any rate proceeding involving either company.

(K) Permission for and approval of the abandonment of service by applicants, as hereinbefore described and as more fully described in the applications and tabulation, are granted.

(L) The certificate issued in Docket No. G-12418 is terminated since sales authorized therein are herein authorized to be continued in Docket No. G-4411.

(M) Applicants in the following dockets are made co-respondents in their predecessors' rate proceedings and said proceedings are redesignated accordingly:

Successor's Certificate Docket No.	*Rate Proceeding Docket No.*
G-4074	RI71-638
G-14639	RI69-244
	RI70-781
G-7500	RI69-213
	RI70-781
	RI71-455
CI63-1392	RI69-374
G-8376	RI69-374
G-5200	RI69-374
G-16955	RI70-171
CI67-1170	RI69-244

Applicants shall comply with the refunding procedure required by the Natural Gas Act and § 154.102 of the Regulations thereunder.

(N) The provision in the contract related to the sale authorized in Docket No. CI72-554 providing for rate increases to an area ceiling rate shall be operative and effective only upon Commission approval of a just and reasonable rate or settlement rate in an applicable area rate proceeding for the quality of the gas involved.

(O) The rate schedules and rate schedule supplements related to the authorizations granted herein are accepted for filing or are redesignated, all as set forth in the tabulation herein. Where the effective date is the date of initial delivery, applicant shall advise the Commission of said date within 10 days thereof.

By the Commission.

[SEAL] MARY B. KIDD,
Acting Secretary.

Docket No. and date filed	Applicant	Purchaser and location	FPC gas rate schedule		
			Description and date of document	Number	Supp.
G-4071 E 2-10-72	Clinton Oil Co. (successor to Amoco Production Co).	Texas Eastern Transmission Corp., South Cottonwood Creek Field, DeWitt County, Tex.	Amoco Production Co.: FPC Gas Rate Schedule No. 15 and Supplements Nos. 1-20 thereto.	47 47	1-20
			Notice of succession 2-8-72.		
			Assignment 12-31-69 [1]	47	21
			(Effective date: 12-31-60) [2]		
G-4074 E 2-7-72	do	Tennessee Gas Pipeline Co., a division of Tenneco Inc., South Crowley Field, Acadia Parish, La.	Amoco Production Co.; FPC Gas Rate Schedule No. 14 and Supplements Nos. 1-21 thereto.	46 46	1-21
			Notice of succession 2-3-72.		
			Assignment 12-31-69 [1]	46	22
			(Effective date: 12-31-69) [2]		
G-4411 and G-12418 E 2-11-72 [3]	do	Arkansas Louisiana Gas Co., Ivan Field, Bossier Parish, La.	Amoco Production Co.; FPC Gas Rate Schedule No. 30 and Supplements Nos. 1-16 thereto.	60 60	1-16
			Notice of succession 2-8-72.		
			Assignment 12-31-69 [1]	60	17
			(Effective date: 12-31-69) [2]		
G-4579 D 12-21-70 [4]	Cities Service Oil Co. (Operator) et al.	Colorado Interstate Gas Co., Hugoton Field, Haskell County, Kans.	Assignment 10-26-70 [5]	125	9
			(Effective date: 10-26-70) [2]		
G-4579 D 11-26-71 [6]	do	do	Assignment 9-2-71 [5]	125	10
			(Effective date: 9-2-71) [2]		
G-4579 D 1-22-71 [7]	do	Northern Natural Gas Co., Seward County, Kans.	Assignment 10-31-70 [5]	167	22
			(Effective date: 10-31-70) [2]		
G-4579 D 1-22-71 [7]	do	do	Assignment 10-31-70 [8]	168	22
			(Effective date: 10-31-70) [2]		
G-5209 E 2-9-72	Clinton Oil Co. (successor to Amoco Production Co.).	El Paso Natural Gas Co., West Kutz Pictured Cliffs Field, San Juan County, N. Mex.	Amoco Production Co.: FPC Gas Rate Schedule No. 378 and Supplements Nos. 1-15 thereto.	57 57	1-15
			Notice of succession 2-7-72.		
			Assignment 12-31-69 [1]	57	16
			(Effective date: 12-31-69) [2]		
G-5712 E 2-11-72	do	Texas Eastern Transmission Corp., Boyce Field, Goliad County, Tex.	Amoco Production Co.: FPC Gas Rate Schedule No. 63 and Supplements Nos. 1-18 thereto.	48 48	1-18
			Notice of succession 2-9-72.		
			Assignment 12-31-69 [1]	48	19
			(Effective date: 12-31-69) [2]		
G-6069 E 2-14-72	Clinton Oil Co. (Operator) et al. (successor to Amoco Production Co.).	Michigan Wisconsin Pipe Line Co., Savoy Field, St. Landry Parish, La.	Amoco Production Co.: (Operator) et al., FPC Gas Rate Schedule No. 152 and Supplements Nos. 1-12 thereto.	51 51	1-12
			Notice of succession 2-10-72.		
			Assignment 12-31-69 [1]	51	13
			(Effective date: 12-31-69) [2]		
G-6070 E 2-14-72	Clinton Oil Co. (successor to Amoco Production Co.).	Michigan Wisconsin Pipe Line Co., Iowa Field, Jefferson Davis and Calcasieu Parishes, La.	Amoco Production Co.: FPC Gas Rate Schedule No. 153 and Supplements Nos. 1-2 thereto.	52 52	1-12
			Notice of succession 2-10-72.		
			Assignment 12-31-69 [1]	52	13
			(Effective date: 12-31-69) [2]		
G-6072 E 2-14-72	do	Michigan Wisconsin Pipe Line Co., North Elton Field, Allen Parish, La.	Amoco Production Co.: FPC Gas Rate Schedule No. 155 and Supplements Nos. 1-16 thereto.	53 53	1-16
			Notice of succession 2-10-72.		
			Assignment 12-31-69 [1]	53	17
			(Effective date: 12-31-69). [3]		
G-7482 E 2-14-72	do	Lone Star Gas Co., Katie Field, Garvin County, Okla.	Amoco Production Co.: FPC Gas Rate Schedule No. 135 and Supplements Nos. 1-5 thereto.	50 50	1-5
			Notice of succession 2-9-72.		
			Assignment 12-31-69 [1]	50	6
			(Effective date: 12-31-69). [3]		
G-7500 E 2-10-72	do	El Paso Natural Gas Co., Sprayberry Field, Reagan, Glasscock, and Upton Counties, Tex.	Amoco Production Co.: FPC Gas Rate Schedule No. 129 and Supplements Nos. 1-43 thereto.	49 49	1-43
			Notice of succession 2-7-72.		
			Assignment 12-31-69 [1]	49	44
			(Effective date: 12-31-69). [3]		
G-8376 E 2-9-72	do	El Paso Natural Gas Co., West Kutz Pictured Cliffs Field, San Juan County, N.Mex.	Amoco Production Co.: FPC Gas Rate Schedule No. 377 and Supplement Nos. 1-15 thereto.	56 56	1-15
			Notice of succession 2-7-72.		
			Assignment 12-31-69 [1]	56	16
			(Effective date: 12-31-69). [3]		
G-10385 D 6-21-71 [9]	Humble Oil & Refining Co.	Colorado Interstate Gas Co., Mocane Field, Beaver County, Okla.	Assignment 5-28-71 [10]	197	23
			(Effective date: 6-1-71) [2]		
G-10955 E 2-15-72	Clinton Oil Co. (successor to Amoco Production Co.).	Mountain Fuel Supply Co., Middle Mountain Field, Sweetwater County, Wyo.	Amoco Production Co.: FPC Gas Rate Schedule No. 166 and Supplement Nos. 1-8 thereto.	59 59	1-8
			Notice of succession 2-11-72.		
			Assignment 12-31-69 [1]	59	9
			(Effective date: 12-31-69). [3]		
G-11151 D 5-31-67 [4]	Cities Service Oil Co.	Cities Service Gas Co., Hugoton Field, Haskell County, Kans.	Assignment 3-30-67 [11]	86	15
			(Effective date: 3-1-67) [2]		
G-11151 D 11-26-71 [12]	do	do	Assignment 11-3-71 [13]	86	16
			(Effective date: 11-1-71) [2]		
G-13223 D 11-26-71 [6]	Cities Service Oil Co. (Operator) et al.	Michigan Wisconsin Pipe Line Co., Laverne Field, Harper County, Okla.	Assignment 10-22-71 [14]	182	12
			(Effective date: 10-22-71) [2]		
G-14639 E 2-10-72	Clinton Oil Co. (successor to Amoco Production Co).	El Paso Natural Gas Co., North Pembrook (Sprayberry Trend), Reagan County, Tex.	Amoco Production Co.: FPC Gas Rate Schedule No. 316 and Supplement Nos. 1-11 thereto.	54 54	1-11
			Notice of succession 2-8-72.		
			Assignment 12-31-69 [1]	54	12
			(Effective date: 12-31-69) [2]		

Filing code: A—Initial service.
B—Abandonment.
C—Amendment to add acreage.
D—Amendment to delete acreage.
E—Succession.
F—Partial succession.

See footnotes at end of table.

Docket No. and date filed	Applicant	Purchaser and location	FPC gas rate schedule		
			Description and date of document	Number	Supp.
CI63-1302 E 2-9-72	do	El Paso Natural Gas Co., West Kutz Pictured Cliffs Field, San Juan County, N. Mex.	Amoco Production Co.: FPC Gas Rate Schedule No. 370 and supplement Nos. 1-8 thereto.	55	1-8
			Notice of succession 2-4-72		
			Assignment 12-31-69 [1]	55	0
			(Effective date: 12-31-69) [2]		
CI67-1170 E 2-10-72	do	El Paso Natural Gas Co., Sonora Field, Sutton County, Tex.	Amoco Production Co.: FPC Gas Rate Schedule No. 495 and Supplements Nos. 1-3 thereto.	58	1-3
			Notice of succession 2-8-72		
			Assignment 12-31-69 [1]	58	4
			(Effective date: 12-31-69) [2]		
CI69-1117 D 2-7-72 [15]	Cities Service Oil Co.	Tennessee Gas Pipeline Co., a division of Tenneco Inc., Blocks 33 and 34, Grand Isle Area, Offshore Louisiana.	Notice of partial cancellation 2-3-72 [16] (Cancels FPC Gas Rate Schedule No. 315 in Part).	315	6
			(Effective date: Date of this order).		
CI69-1125 D 2-11-72 [15]	Atlantic Richfield Co.	do	Notice of partial cancellation 2-9-72 (Cancels FPC Gas Rate Schedule No. 627 in Part).	627	6
			(Effective date: Date of this order).		
CI70-1025 A 5-18-70	Phillips Petroleum Co.	Panhandle Eastern Pipe Line Co., McQuiddy Ranch Field, Hemphill County, Tex.	Contract 4-20-70	491	
			(Effective date: Date of initial delivery).		
CI72-335 A 11-22-71 [17]	do	United Gas Pipe Line Co., West Mermentau Field, Jefferson Davis Parish, La.	Contract 10-7-71	493	
			(Effective date: 2-11-72) [18]		
CI72-337 A 12-13-71	Transwestern Gas Supply Co.	Transwestern Pipeline Co., North Woodward Field, Woodward County, Okla.	Compliance 2-10-72 [19]	1	1
			(Effective date: Date of initial delivery).		
CI72-465 1-28-72 [20]	Champlin Petroleum Co.	Texas Eastern Transmission Corp., Greenwood Workom Field, Caddo Parish, La.	Contract 8-22-55	123	
			Ratification 7-12-61	123	1
			Ratification 8-17-61	123	2
			Letter 2-12-68	123	3
			Amendment 3-20-69	123	4
			Amendment 7-21-71	123	5
			(Effective date: 5-2-71) [21]		
CI72-478 F 1-27-72	Amoco Production Co. (successor to Cities Service Oil Co. (Operator) et al.).	Cities Service Gas Co., Hugoton Field, Haskell County, Kans.	Contract 9-23-53 [22]	578	
			Letter agreement 3-10-54	578	1
			Agreement 6-22-61	578	2
			Assignment 11-3-71 [23]	578	3
			(Effective date: 11-1-71) [3]		
CI72-484 B 2-1-72	Bricker Valley Development Association.	Consolidated Gas Supply Corp., Williams District, Wood County, W. Va.	Letter agreement 4-15-71	(24)	
			(Effective date: Date of this order).		
CI72-494 F 2-3-72	Underwood Oil Co., Inc. (successor to Humble Oil & Refining Co.).	Colorado Interstate Gas Co., Mocane Field, Beaver County, Okla.	Contract 3-19-59	2	
			Supplemental agreement 4-18-63.	2	1
			Supplemental agreement 9-23-63.	2	2
			Supplemental agreement 2-20-64.	2	3
			Amendment 5-11-67	2	4
			Assignment 5-24-71 [25]	2	5
			(Effective date: 6-1-71) [3]		
CI72-510 B 2-14-72	Levi Epstein Sons Oil Co. [26]	Pennsylvania Gas Co., Brown Lot, Warren County and Godfrey Tract, Forest County, Pa.	(27)		
CI72-554 A 3-7-72	The Superior Oil Co.	Michigan Wisconsin Pipe Line Co., Deep Lake Field, Cameron Parish, La.	Contract 2-3-72 [28]	157	
			(Effective date: Date of initial delivery).		
(CS71-203) B [27]	Gulf Minerals, Inc.	Transcontinental Gas Pipe Line Corp., Matzke Field, Wharton County, Tex.	(24) (Effective date: Date of this order).	(29)	

[1] From Amoco Production Co., to applicant.
[2] Date of transfer of producing properties.
[3] Docket No. G-12118 is applicable to sales from added acreage only. The certificate issued therein will be terminated and the sales will be included under authorization in Docket No. G-4111.
[4] No certificate filing required. 18 CFR 2.61. Acreage assigned to small producer.
[5] Transfers interest from Cities Service Oil Co. to Mahoney Drilling Co. Mahoney has a small producer certificate in Docket No. CS71-763.
[6] No certificate filing required. 18 CFR 2.61. Nonproducing acreage assigned to small producer.
[7] No certificate filing required. 18 CFR 2.61. Acreage assigned to Yucca Petroleum Co., which has a small producer certificate in Docket No. CS66-19.
[8] From Cities Service to Yucca Petroleum Co.
[9] No certificate filing required. 18 CFR 2.61.
[10] Conveys interest from Humble Oil & Refining Co. to Underwood Oil Co., Inc. Underwood's filing in Docket No. CI72-494 is included in this tabulation.
[11] From Cities to W. E. Bakke, who has a small producer certificate issued in Docket No. CS66-11.
[12] No certificate filing required. 18 CFR 2.61. Acreage assigned to Amoco, whose filing is included in this tabulation in Docket No. CI72-478.
[13] From Cities to Amoco.
[14] Transfers nonproducing acreage from application to May Exploration Ventures, Inc. May has filed for a small producer certificate in Docket No. CS72-463.
[15] Deletion of nonproductive leases which have been terminated. Service never commenced.
[16] Includes amendment (Jan. 21, 1972) which deletes Grand Isle Blocks 33 and 34 from the contract between Tennessee and applicant.
[17] By letter dated Feb. 14, 1972, applicant agreed to accept a permanent certificate conditioned similarly to the temporary certificate issued Feb. 10, 1972.
[18] Sixty-first day after commencement of emergency sales.
[19] Accepts temporary certificate issued Feb. 4, 1972. Applicant is willing to accept a permanent certificate conditioned similarly to the temporary certificate.
[20] Applicant filing to cover interest previously covered by operator (W. C. Feazel Estate). Feazel has a small producer certificate in Docket No. CS71-253, which does not cover Champlin's interest.
[21] Effective date of operator's small producer certificate.
[22] On file as Cities Service Oil Co. FPC Gas Rate Schedule No. 53.
[23] From Cities Service Oil Co. to applicant. Cities filing deleting the assigned acreage is included in this tabulation.
[24] Applicant issued small producer certificate by Commission Order No. 411.
[25] Rate schedule was never filed with the Commission.
[26] Dedicates the reservoir in the No. 54 Sand Wert.
[27] Notice of cancellation of rate schedule submitted May 6, 1971. Efforts to obtain abandonment application have been unsuccessful. Rate filing includes letter agreement from buyer canceling contract.
[28] Applicant submitted notice of cancellation of its FPC Gas Rate Schedule No. 3. By order dated Sept. 15, 1971, Applicant was issued a small producer certificate in Docket No. CS71-253. Applicant's rate schedule was canceled and the related certificate was terminated.
[29] Formerly FPC Gas Rate Schedule No. 3.

[FR Doc.72-12293 Filed 8-3-72;8:45 am]

[Docket No. RP72-104]

CONSOLIDATED GAS SUPPLY CORP.

Notice of Filing of Motion To Make Rates and Charges Effective After Suspension

AUGUST 3, 1972.

Take notice that on July 28, 1972, Consolidated Gas Supply Corp. (Consolidated) filed with the Federal Power Commission a motion to make rates and charges effective after suspension, which motion is attached hereto.[1]

Copies of Consolidated's suspended tariff sheets are on file with the Commission and are available for public inspection.

MARY B. KIDD,
Acting Secretary.

[FR Doc.72-12452 Filed 8-8-72;8:51 am]

[1] Filed as part of the original document.

[Dockets Nos. RP70-6 etc.]

LAWRENCEBURG GAS TRANSMISSION CORP:

Order Accepting Tracking Increase for Filing, Allowing Proposed Revised Tariff Sheets To Become Effective Subject to Further Orders and Consolidating Proceedings

JULY 31, 1972.

Lawrenceburg Gas Transmission Corp. (Lawrenceburg), on June 26, 1972, tendered for filing in Docket No. RP72-148 proposed changes in its FPC Gas Tariff, Original Volume No. 1[1] designed solely to track the rate increase filed by its supplier, Texas Gas Transmission Corp. (Texas Gas), on June 15, 1972, in Docket No. RP72-45, to become effective on August 1, 1972. Lawrenceburg proposes that its increase become effective on August 1, 1972, but requests that if its filing is suspended, such suspension not extend beyond the date on which Texas Gas' rate filing becomes effective. Lawrenceburg's proposed rate changes increase jurisdictional revenues by approximately $1,841 annually based on volumes for the 12 months ended June 30, 1969.

In support of its filing, Lawrenceburg submitted cost of service and other data substantially identical to that which it submitted in support of its rate increase filings in the above captioned dockets.

In view of the fact that the purpose of Lawrenceburg's filing is to track its supplier's rate increase and that we have today issued an order accepting Texas Gas' rate increase in Docket No. RP72-45, subject to modification, we will accept Lawrenceburg's revised tariff sheets for filing and allow them to become effective on August 1, 1972, subject to modification to reflect revisions in the rates filed by Texas Gas on June 15, 1972, effective August 1, 1972, and subject to further orders of the Commission as may be issued in Docket No. RP70-6, et al., as consolidated herein.

The fact that the cost and related data relied upon by Lawrenceburg in support of its filing in Docket No. RP72-148, and in each of the other above captioned dockets are substantially the same raises issues of law and fact common to each proceeding. Under these circumstances it is appropriate that Docket No. RP72-148 be consolidated with the latter proceedings for purposes of hearing and decision.

The Commission finds:

It is reasonable and appropriate that the proposed revised tariff sheets contained in footnote 1 above be accepted for filing and allowed to become effective as hereinafter ordered and conditioned.

The Commission orders:

(A) Eleventh Revised Sheet Nos. 4 and 12 of Lawrenceburg's FPC Gas Tariff, Original Volume No. 1, are accepted for filing to become effective on August 1, 1972, subject to modification to reflect revisions in the rates of Texas Gas filed on June 15, 1972, in Docket No. RP72-45, effective August 1, 1972, and subject to further orders of the Commission as may be issued in the proceedings in Docket No. RP70-6, et al., as consolidated herein.

(B) Lawrenceburg shall flow through any and all rate reductions or refunds received from Texas Gas.

(C) The proceedings in Dockets Nos. RP72-148 and RP70-6, et al. are hereby consolidated.

(D) The price changes included in the revised tariff sheets filed by Lawrenceburg on June 26, 1972, constitute a "pass-through of specific allowable costs" authorized by prior order and tariff provisions, and as such are exempt from the reporting and certification requirements of Price Commission regulations (§ 300.16(c)).

By the Commission.

[SEAL] MARY B. KIDD,
Acting Secretary.

[FR Doc.72-12475 Filed 8-8-72;8:50 am]

[1] The proposed revised tariff sheets are Eleventh Revised Sheet Nos. 4 and 12.

[Docket No. CI73-63]

SOUTHERN UNION GATHERING CO.

Notice of Petition for Declaratory Order or Application for Permission and Approval To Abandon Certain Natural Gas Purchases

AUGUST 3, 1972.

Take notice that on July 20, 1972, Southern Union Gathering Co. (Southern Union), 1500 Fidelity Union Tower, Dallas, Tex. 75201, filed in Docket No. CI73-63 a petition for a declaratory order that it is not required to receive permission and approval pursuant to section 7(b) of the Natural Gas Act in order to discontinue its purchases of gas from a certain well or in the alternative an application pursuant to section 7(b) for permission and approval to abandon said purchases, all as more fully set forth in the application which is on file with the Commission and open to public inspection.

Southern Union states that Aztec Oil & Gas Co. (Aztec), the present operator and majority interest holder of the Day-State No. 1 Well (the Well) in San Juan County, N. Mex., has informed it that Aztec proposes to terminate the present gas purchase contract between Southern Union and Aztec and increase the price for gas produced from the Well from 15.0636 cents per Mcf to 29.23 cents per Mcf. This proposed price will increase Southern Union's annual costs for gas from the Well by $15,587. Southern Union asserts that additional increases in its gas costs could result if this increased price for gas from the Well is held to trigger "favored nation" clauses in certain of its other contracts. In light of these other potential increases, Southern Union claims that the payment of the proposed new price would be directly contrary to the public interest and, therefore, it proposes to discontinue its purchases of gas from the Well no later than November 30, 1972.

Southern Union contends that all of its facilities utilized in the transportation and resale of gas purchased from the Well are exclusively gathering facilities and thus exempt from the jurisdiction of the Commission pursuant to section 1(b) of the Natural Gas Act. For this reason, Southern Union requests that the Commission issue a declaratory order asserting that it is not required to receive permission and approval under section 7(b) of the Natural Gas Act to abandon its purchases from the Well and the facilities utilized therefor.

In the event that the Commission determines that Southern Union is not entitled to the requested declaratory order, Southern Union seeks permission and approval to abandon said purchases and 4,000 feet of 4-inch field line, related dehydrator, scrubber, meter, and other appurtenant facilities utilized to make said purchases.

Any person desiring to be heard or to make any protest with reference to said application should on or before August 25, 1972, file with the Federal Power Commission, Washington, D.C. 20426, a petition to intervene or a protest in accordance with the requirements of the Commission's rules of practice an procedure (18 CFR 1.8 or 1.10). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to the proceeding. Any person wishing to become a party to a proceeding or to participate as a party in any hearing therein must file a petition to intervene in accordance with the Commission's rules.

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act and the Commission's rules of practice and procedure, a hearing will be held without further notice before the Commission on this application if no petition to intervene is filed without the time required herein, if the Commission on its own review of the matter finds that permission and approval for the proposed abandonment are required by the public convenience and necessity. If a petition for leave to intervene is timely filed, or if the Commission on its own motion believes that a formal hearing is required, further notice of such hearing will be duly given.

Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or to be represented at the hearing.

MARY B. KIDD,
Acting Secretary.

[FR Doc.72-12476 Filed 8-8-72;8:50 am]

INTERSTATE COMMERCE COMMISSION

[Notice 49]

ASSIGNMENT OF HEARINGS

AUGUST 4, 1972.

Cases assigned for hearing, postponement, cancellation or oral argument appear below and will be published only once. This list contains prospective assignments only and does not include cases previously assigned hearing dates. The hearings will be on the issues as presently reflected in the Official Docket of the Commission. An attempt will be made to publish notices of cancellation of hearings as promptly as possible, but interested parties should take appropriate steps to insure that they are notified of cancellation or postponements of hearings in which they are interested.

MC 12830 Sub 2, Canton Automobile Club, Inc., doing business as, Canton Automobile Club, now assigned August 21, 1972, at Columbus, Ohio, hearing is reassigned to August 21, 1972, at Canton, Ohio, in Room 156 U.S. Post Office, 2650 Cleveland Avenue, North, Canton, OH.

MC 133070 Sub 5, Trans-Air Service, Inc., application dismissed.

MC-923-Sub 12, Owensboro Express, Inc., now being assigned hearing September 25, 1972 (1 week) at Gabe's Motor Tower Inn, 1926 Triplett Street, Owensboro, KY.

MC 84449 Sub 4, Calvalcade Trucking, Inc., now being assigned hearing October 3, 1972, at the Offices of the Interstate Commerce Commission, Washington, D.C.

MC 106398 Sub 593, National Trailer Convoy, Inc., now being assigned hearing October 10, 1972, at the Offices of the Interstate Commerce Commission, Washington, D.C.

MC 87720 Sub 123, Bass Transportation Co., Inc., now being assigned hearing October 11, 1972, at the Offices of the Interstate Commerce Commission, Washington, D.C.

MC 117686 Sub 134, Hirschbach Motor Lines, Inc., now being assigned hearing October 11, 1972, at the Offices of the Interstate Commerce Commission, Washington, D.C.

MC 107012 Sub 148, North American Van Lines, Inc., now being assigned hearing October 12, 1972, at the Offices of the Interstate Commerce Commission, Washington, D.C.

MC-F-11521, Yellow Freight System, Inc.—Control & Merger—Central Motor Express, Inc., now being assigned hearing October 16, 1972, at the Offices of the Interstate Commerce Commission, Washington, D.C.

MC 119991 Sub 5, Young Transport, Inc., now being assigned hearing October 16, 1972, at the Offices of the Interstate Commerce Commission, Washington, D.C.

MC-117610 Sub 8, Derrico Trucking Corp., now assigned hearing August 14, 1972, at New York City, N.Y., is postponed indefinitely.

No. 35541, E-Z Por Corp. v. Jones Motor Co. et al. now being assigned for prehearing conference September 27, 1972, at the Offices of the Interstate Commerce Commission, Washington, D.C.

I&S M 25996, General Increase, July 1972, Middle Atlantic Conference, now being assigned October 3, 1972, at the Offices of the Interstate Commerce Commission, Washington, D.C.

[SEAL] ROBERT L. OSWALD,
Secretary.

[FR Doc.72-12460 Filed 8-8-72;8:49 am]

[Ex Parte 241, Rules 1(a), 2(a), 2(b), 19, Rev. Exemption 12]

EXEMPTION FROM MANDATORY CAR SERVICE RULES

It appearing, that the railroads named herein own numerous plain boxcars; that under present conditions, there is virtually no demand for these cars on the lines of the car owners; that return of these cars to the car owners would result in their being stored idle on these lines; that such cars can be used by other carriers for transporting traffic offered for shipments to points remote from the car owners; and that compliance with Car Service Rules 1 and 2 prevents such use of plain boxcars owned by the railroads listed herein, resulting in unnecessary loss of utilization of such cars.

It is ordered, That pursuant to the authority vested in me by Car Service Rule 19, plain boxcars described in the Official Railway Equipment Register, I.C.C. R.E.R. No. 384, issued by W. J. Trezise, or successive issues thereof, as having mechanical designation XM, and bearing reporting marks assigned to the railroads named below, shall be exempt from the provisions of Car Service Rules 1(a), 2(a), and 2(b).

Atlantic and Western Railway Co., Reporting marks: ATW

Louisville, New Albany & Corydon Railroad Co., Reporting marks: LNAC

Vermont Railway, Inc., Reporting marks: Rut or VTR

Effective August 3, 1972, and continuing in effect until further order of this Commission.

Issued at Washington, D.C., August 3, 1972.

INTERSTATE COMMERCE COMMISSION,

[SEAL] R. D. PFAHLER,
Agent.

[FR Doc.72-12467 Filed 8-8-72;8:50 am]

FOURTH SECTION APPLICATIONS FOR RELIEF

AUGUST 4, 1972.

Protests to the granting of an application must be prepared in accordance with Rule 1100.40 of the General Rules of Practice (49 CFR 1100.40) and filed within 15 days from the date of publication of this notice in the FEDERAL REGISTER.

LONG-AND-SHORT HAUL

FSA No. 42494—*General commodities between ports in Hong Kong, Japan, and Korea and rail stations and water carrier terminals on the U.S. Atlantic and gulf seaboard.* Filed by Kawasaki Kisen Kaisha, Ltd. (No. 2), for itself and interested rail carriers. Rates on general commodities, between ports in Hong Kong, Japan, and Korea, on the one hand, and rail stations and water carrier terminals on the U.S. Atlantic and gulf seaboard, on the other.

Grounds for relief—Water competition.

Tariffs—"K" Line Intermodal Tariffs Nos. 1, 2, and 3, ICC Nos. 1, 2, and 3. Rates are being published to become effective on September 7, 1972.

FSA No. 42495—*General commodities from east coast and Texas rail terminals to ports in the Far East.* Filed by United States Lines, Inc. (No. 3), for itself and interested rail carriers. Rates on general commodities, from rail stations in Massachusetts, New Jersey, Pennsylvania, Maryland, and Texas, on the one hand, to ports in the Far East, on the other.

Grounds for relief—Water competition.

Tariff—United States Lines, Inc., tariff No. 7, ICC No. 7. Rates are published to become effective on September 7, 1972.

By the Commission.

[SEAL] ROBERT L. OSWALD,
Secretary.

[FR Doc.72-12461 Filed 8-8-72;8:49 am]

[Notice 29]

MOTOR CARRIER ALTERNATE ROUTE DEVIATION NOTICES

AUGUST 4, 1972.

The following letter-notices of proposals (except as otherwise specifically noted, each applicant states that there will be no significant effect on the quality of the human environment resulting from approval of its application), to operate over deviation routes for operating convenience only have been filed with the Interstate Commerce Commission under the Commission's Revised Deviation Rules—Motor Carriers of Passengers, 1969 (49 CFR 1042.2(c)(9)) and notice thereof to all interested persons is hereby given as provided in such rules (49 CFR 1042.2(c)(9)).

Protests against the use of any proposed deviation route herein described may be filed with the Interstate Commerce Commission in the manner and form provided in such rules (49 CFR 1042.2(c)(9)) at any time, but will not operate to stay commencement of the proposed operations unless filed within 30 days from the date of publication.

Successively filed letter-notices of the same carrier under the Commission's Revised Deviation Rules—Motor Carriers of

Property, 1969, will be numbered consecutively for convenience in identification and protests, if any, should refer to such letter-notices by number.

MOTOR CARRIERS OF PASSENGERS

No. MC 1515 (Deviation No. 622), GREYHOUND LINES, INC. (WESTERN DIVISION), 371 Market Street, San Francisco, CA 94106, filed July 27, 1972. Carrier proposes to operate as a *common carrier*, by motor vehicle, of *passengers and their baggage*, and *express and newspapers* in the same vehicle with passengers, over deviation routes as follows: (1) from junction U.S. Highway 30 and Interstate Highway 80–N (West Pendleton Interchange) over Interstate Highway 80–N to junction U.S. Highway 30 (East Pendleton Interchange), and (2) from junction U.S. Highway 30 and Interstate Highway 80–N (West La Grande Junction) over Interstate Highway 80–N to junction U.S. Highway 30 (East La Grande Junction), and return over the same routes, for operating convenience only. The notice indicates that the carrier is presently authorized to transport passengers and the same property, over a pertinent service route as follows: from Portland, Oreg., over Interstate Highway 80–N to Cascade Locks, thence over U.S. Highway 30 to Hood River, thence over Interstate Highway 80–N to the Dalles, thence over U.S. Highway 30 to junction unnumbered highway north of Emigrant Springs (Emigrant Springs Junction), thence over unnumbered highway via Emigrant Springs and Meacham to junction U.S. Highway 30 (Meacham Junction), thence over U.S. Highway 30 to junction unnumbered highway south of Baker (South Baker Junction), thence over unnumbered highway via Pleasant Valley to junction U.S. Highway 30 (South Durkee Junction), thence over U.S. Highway 30 to junction unnumbered highway (North Huntington Junction), thence over unnumbered highway via Huntington to junction Interstate Highway 80–N (South Huntington Junction), thence over Interstate Highway 80–N to junction U.S. Highway 30–N (Weiser Wye), thence over U.S. Highway 30–N to the Oregon-Idaho State line (connects with Idaho Route 7).

By the Commission.

[SEAL] ROBERT L. OSWALD, *Secretary.*

[FR Doc.72-12463 Filed 8-8-72;8:49 am]

[Notice 24]

MOTOR CARRIER ALTERNATE ROUTE DEVIATION NOTICES

AUGUST 4, 1972.

The following letter-notices of proposals (except as otherwise specifically noted, each applicant states that there will be no significant effect on the quality of the human environment resulting from approval of its application), to operate over deviation routes for operating convenience only have been filed with the Interstate Commerce Commission under the Commission's Revised Deviation Rules—Motor Carriers of Property, 1969 (49 CFR 1042.4(d)(11)) and notice thereof to all interested persons is hereby given as provided in such rules (49 CFR 1042.4(d)(11)).

Protests against the use of any proposed deviation route herein described may be filed with the Interstate Commerce Commission in the manner and form provided in such rules (49 CFR 1042.4(d)(12)) at any time, but will not operate to stay commencement of the proposed operations unless filed within 30 days from the date of publication.

Successively filed letter-notices of the same carrier under the Commission's Revised Deviation Rules—Motor Carriers of Property, 1969, will be numbered consecutively for convenience in identification and protests, if any, should refer to such letter-notices by number.

MOTOR CARRIERS OF PROPERTY

No. MC 1824 (Deviation No. 14), PRESTON TRUCKING COMPANY, INC., 151 Easton Boulevard, Preston, MD 21655, filed July 24, 1972. Carrier's representative: Frank V. Klein, same address as applicant. Carrier proposes to operate as a *common carrier*, by motor vehicle, of *general commodities*, with certain exceptions, over deviation routes as follows: (1) from junction U.S. Highway 220 and 30 over U.S. Highway 220 to junction Pennsylvania Highway 350, thence over Pennsylvania Highway 350 to junction U.S. Highway 322, thence over U.S. Highway 322 to junction Pennsylvania Highway 970, thence over Pennsylvania Highway 970 to junction Interstate Highway 80, thence over Interstate Highway 80 to junction Pennsylvania Highway 255, thence over Pennsylvania Highway 255 to Du Bois, Pa., (2) from junction U.S. Highways 11–15 and 22–322 at Amity Hall, Pa., over U.S. Highway 22–322 to Lewistown, Pa., thence over U.S. Highway 322 to junction Pennsylvania Highway 970, thence over Pennsylvania Highway 970 to junction Interstate Highway 80, thence over Interstate Highway 80 to junction Pennsylvania Highway 255, thence over Pennsylvania to junction U.S. Highway 220, thence over U.S. Highway 220 to junction New York Highway 17, thence over New York Highway 17 to junction U.S. Highway 15 at Painted Post, N.Y., and return over the same routes, for operating convenience only.

The notice indicates that the carrier is presently authorized to transport the same commodities, over pertinent service routes as follows: (1) From Baltimore, Md., over U.S. Highway 40 to Hagerstown, Md., thence over U.S. Highway 11 to Chambersburg, Pa., thence over U.S. Highway 30 to Pittsburgh, Pa., (2) from Pittsburgh, Pa., over Pennsylvania Highway 28 to Brookville, Pa., thence over U.S. Highway 322 to junction U.S. Highway 219, thence over U.S. Highway 219 to junction Pennsylvania Highway 830, thence over Pennsylvania Highway 830 to Falls Creek, Pa. (also from New Kensington, Pa., over Pennsylvania Highway 56 to Shearersburg, Pa., thence over Pennsylvania Highway 256 to Leechburg, Pa., thence over Pennsylvania Highway 66 to Kittanning, Pa., thence over Pennsylvania Highway 85 to Home, Pa., thence over U.S. Highway 119 to junction U.S. Highway 322), (3) from junction Interstate Highway 76 and U.S. Highway 220 at Bedford Interchange of Interstate to junction Pennsylvania Highway 28 to junction U.S. Highway 22, thence over U.S. Highway 22 to junction U.S. Highway 422, thence over U.S. Highway 422 to junction Pennsylvania Highday 28 to Kittanning, Pa., (4) from Baltimore, Md., over Interstate Highway 83 to Lemoyne, Pa., thence over U.S. Highway 15 to junction U.S. Highway 20, thence over U.S. Highway 20 to junction New York Highway 130, thence over New York Highway 130 to Buffalo, N.Y., (5) from Wilmington, Del., over Delaware Highway 48 to junction Delaware Highway 41, thence over Delaware Highway 41 to the Delaware-Pennsylvania State line, thence over Pennsylvania Highway 41 to junction U.S. Highway 30, thence over U.S. Highway 30 to junction U.S. Highway 230, thence over U.S. Highway 230 to Harrisburg, Pa., thence over Interstate Highway 76 to Pittsburgh, Pa., (6) from Lemoyne, Pa., over U.S. Highway 15 to Rochester, N.Y., (7) from Lemoyne, Pa., over U.S. Highway 11 to Syracuse, N.Y., (8) from junction U.S. Highways 11 and 20 over U.S. Highway 20 to junction U.S. Highway 15, and (9) from junction U.S. Highway 11 and New York Highway 17 at Binghamton, N.Y., over New York Highway 17 to junction U.S. Highway 15 at Painted Post, N.Y., and return over the same routes.

No. MC 41432 (Deviation No. 18), EAST TEXAS MOTOR FREIGHT LINES, INC., 2355 Stemmons Freeway, Post Office Box 10125, Dallas, TX 75207, filed July 25, 1972. Carrier proposes to operate as a *common carrier*, by motor vehicle, of *general commodities*, with certain exceptions, over a deviation route as follows: From Memphis, Tenn., over U.S. Highway 61 to St. Louis, Mo., thence over U.S. Highway 40 to Kansas City, Mo., thence over U.S. Highway 275 to junction U.S. Highway 34, thence over U.S. Highway 34 to junction Interstate Highway 80, thence over Interstate Highway 80 (or U.S. Highway 30) to Salt Lake City, Utah, thence over U.S. Highway 89 to Ogden, Utah, thence over Interstate Highway 80–N (or U.S. Highway 30) to Portland, Oreg., and return over the same route, for operating convenience only. The notice indicates that the carrier is presently authorized to transport the same commodities, over a pertinent service route as follows: From Memphis, Tenn., over U.S. Highway 70 to Benton, Ark., thence over U.S. Highway 67 to Texarkana, Ark., thence over U.S. Highway 59 to Marshall, Tex., thence over U.S. Highway 80 to Las Cruces, N. Mex., thence over U.S. Highway 70 to Los Angeles, Calif., thence over California Highway 99 (formerly U.S. Highway 99) to Sacramento, Calif., thence over U.S. Highway 99 (or Interstate Highway 5)

to Portland, Oreg., and return over the same route.

By the Commission.

[SEAL] ROBERT L. OSWALD, *Secretary.*

[FR Doc.72-12464 Filed 8-8-72;8:49 am]

[Notice 63]

MOTOR CARRIER APPLICATIONS AND CERTAIN OTHER PROCEEDINGS

AUGUST 4, 1972.

The following publications are governed by the new Special Rule 1100.247 of the Commission's rules of practice, published in the FEDERAL REGISTER, issue of December 3, 1963, which became effective January 1, 1964.

The publications hereinafter set forth reflect the scope of the applications as filed by applicant,[1] and may include descriptions, restrictions, or limitations which are not in a form acceptable to the Commission. Authority which ultimately may be granted as a result of the applications here noticed will not necessarily reflect the phraseology set forth in the application as filed, but also will eliminate any restrictions which are not acceptable to the Commission.

MOTOR CARRIERS OF PROPERTY

No. MC 21455 (Sub-No. 24) (Republication), filed July 29, 1971, published in the FEDERAL REGISTER issue of September 2, 1971, and republished this issue. Applicant: GENE MITCHELL CO., a corporation, West Liberty, Iowa 52776. Applicant's representative: Kenneth F. Dudley, 611 Church Street, Post Office Box 279, Ottumwa, IA 52501. A recommended order of the Commission, by Hearing Examiner, effective June 6, 1972, and served June 19, 1972, finds, that the present and future public convenience and necessity require operation by applicant as a common carrier by motor vehicle, in interstate or foreign commerce, over irregular routes, of (1) furnishings, equipment, materials, and supplies used in the manufacture, processing, sale, and distribution of mobile homes and modular houses, from points in Illinois, Indiana, Michigan, Ohio, and Wisconsin to Kalona, Iowa, restricted to the transportation of traffic destined to the plantsites, warehouses, and facilities of Kalonial Industries, Inc., at Kalona, Iowa; (2) precut buildings and hardware and dry materials used in the construction of precut buildings, from Schererville, Ind., to points in Illinois, Iowa, Kentucky, Minnesota, Michigan, Missouri, New York, Ohio, Pennsylvania, West Virginia, and Wisconsin, restricted to traffic originating at the plantsites, warehouses, and facilities of Lindal Cedar Homes (M.W.), Inc., at or near Schererville, Ind.;

(3) Modular buildings, modular buildings sections, and component parts of moduar buildings and modular building section, from Iowa City, Iowa to points in Illinois, Indiana, Kansas, Minnesota, Missouri, Nebraska, South Dakota, and Wisconsin, restricted to traffic originating at the plantsites, warehouses, and facilities of Component Homes, Inc., at or near Iowa City, Iowa; and (4) air pollution control systems and heated asphalt storage vessels, from West Liberty, Iowa to points in Arkansas, Colorado, Illinois, Indiana, Iowa, Kansas, Louisiana, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, Texas, Wisconsin, and Wyoming, restricted to traffic originating at the plantsites, warehouses, and storage facilities of Assemblers, Inc., at or near West Liberty, Iowa. The Hearing Examiner further finds that applicant is fit, willing, and able properly to perform such service and to conform to the requirements of the Interstate Commerce Act and the Commission's rules and regulations thereunder. Because it is possible that other parties, who have relied upon the notice of the application as published, may have an interest in and would be prejudiced by the lack of proper notice of the authority described in the findings in this order, a notice of the authority actually granted will be published in the FEDERAL REGISTER and issuance of a certificate in this proceeding will be withheld for a period of 30 days from the date of such publication, during which period any proper party in interest may file an appropriate petition or other relief setting forth in detail the precise manner in which it has been so prejudiced.

No. MC 29910 (Sub-No. 102) (Republication), filed May 26, 1971, published in the FEDERAL REGISTER issue of Juy 1, 1971, and republished this issue. Applicant: ARKANSAS-BEST FREIGHT SYSTEM, INC., 301 South 11th Street, Fort Smith, AR 72901. Applicant's representative: Thomas Harper or Don A. Smith, Kelley Building, Post Office Box 43, Fort Smith, AR 72901. An order of the Commission, Division 1, acting as an Appellate Division, effective July 12, 1972, and served July 26, 1972, finds that by report and order of February 2, 1972, the Commission, Review Board No. 2, authorized the granting to applicant of a certificate of public convenience and necessity authorizing operation, in interstate or foreign commerce, as a common carrier by motor vehicle, over irregular routes, of paper products, from the plantsites and warehouse facilities of International Paper Co., at Springhill, La., and Bastrop, La., to points in Illinois, Indiana, and Ohio; that applicant is fit, willing, and able properly to perform such service and to conform to the requirements of the Interstate Commerce Act and the Commission's rules and regulations thereunder. Because it is possible that other parties, who have relied upon the notice of the application as published may have an interest in and would be prejudiced by the lack of proper notice of the authority as modified, a notice of the authority actually granted will be published in the FEDERAL REGISTER and issuance of a certificate in this proceeding will be withheld for a period of 35 days from the date of such publication, during which period any proper party in interest may file an appropriate petition seeking leave to intervene in this proceeding showing in specific detail the manner in which it has been material adversely affected by this grant of authority; and good cause appearing therefor.

No. MC 30383 (Sub-No. 9) (Republication), filed November 22, 1971, published in the FEDERAL REGISTER issue of December 23, 1971, and republished this issue. Applicant: JOSEPH F. WHELAN CO., INC., 439 West 54th Street, New York, NY 10019. Applicant's representative: Herbert Burstein, 30 Church Street, New York, NY 10007. An order of the Commission, Review Board No. 2, dated July 13, 1972, and served July 20, 1972, finds that operation by applicant, in interstate or foreign commerce, as a contract carrier by motor vehicle, over irregular routes, of paper, paper products, and plastic bags from Harrison, N.J., to New York, N.Y., and points in Nassau, Suffolk, Westchester, Orange, Rockland, and Sullivan Counties, N.Y., Hartford, New Haven, and Fairfield Counties, Conn., and Bucks, Philadelphia, Montgomery, and Delaware Counties, Pa., under a continuing contract or contracts with Hudson Pulp & Paper Co., will be consistent with the public interest and the national transportation policy, subject to the condition that to the extent the authority herein duplicates any authority now held by applicant, it shall not be construed as conferring more than a single operating right; that applicant is fit, willing, and able properly to perform such service and to conform to the requirements of the Interstate Commerce Act and the Commission's rules and regulations thereunder. Because it is possible that other parties, who have relied upon the notice of the application as published, may have an interest in and would be prejudiced by the lack of proper notice of the authority described in the findings in this order, a notice of the authority actually granted will be published in the FEDERAL REGISTER and issuance of a permit in this proceeding will be withheld for a period of 30 days from the date of such publication, during which period any proper party in interest may file a petition for leave to intervene in this proceeding or for other appropriate relief setting forth in detail the precise manner in which it has been so prejudiced.

No. MC 76025 (Sub-No. 13) (Republication), filed December 16, 1968, published in the FEDERAL REGISTER issue of January 3, 1969, and republished this issue. Applicant: OVERLAND EXPRESS, INC., 498 First Street NW., New Brighton, MN 55112. Applicant's representative: James F. Sexton (same address as applicant). A supplemental order of the Commission, Operating Rights Board, dated April 3, 1972, and served April 25, 1972, finds that the present and future public convenience and necessity require operation by applicant, in interstate or foreign commerce, as a common carrier by motor vehicle, over irregular

[1] Except as otherwise specifically noted, each applicant (on applications filed after Mar. 27, 1972) states that there will be no significant effect on the quality of the human environment resulting from approval of its application.

routes, of meats, meat products, and meat byproducts, dairy products, and articles distributed by meat packinghouses, as described in sections A, B, and C of Appendix I to the report in *Descriptions in Motor Carrier Certificates*, 61 M.C.C. 209, and 766 (except hides), from La Crosse and Middleton, Wis., and Clinton, Iowa, and the site of the Swift & Co. plant near West Bend, Wis., to points in Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia, and the District of Columbia; that applicant is fit, willing, and able properly to perform such service and to conform to the requirements of the Interstate Commerce Act and the Commission's rules and regulations thereunder. That since it is possible that other parties who have relied upon the notice in the FEDERAL REGISTER of the application as originally published may have an interest in and would be prejudiced by the lack of proper notice of the grant of authority without the requested limitation in our findings herein, a notice of the authority actually granted will be published in the FEDERAL REGISTER and issuance of the certificate in this proceeding will be withheld for a period of 30 days from the date of such publication, during which period any proper party in interest may file an appropriate petition for leave to intervene in the proceeding setting forth in detail the precise manner in which it has been prejudiced.

NOTICE FOR FILING OF PETITIONS

No. MC 9219 (Corrected) (Notice of Filing of Petition for Interpretation of Certificate and for Other Relief), filed June 22, 1972, published in the FEDERAL REGISTER issue of July 19, 1972, corrected and republished as corrected in part, this issue. Petitioner: FRED HORN GENERAL TRUCKING, INC., Elko, Nev. Petitioner's representative: Lee W. Hobbs, 1119 Continental Bank Building, Salt Lake City, Utah 84101. NOTE: The purpose of this partial republication is to reflect applicant's full name as "Fred Horn General Trucking, Inc.".

No. MC–115180 (Sub-No. 18) (Notice of Filing of Petition to Amend Certificate so as to Authorize the Transportation of Fresh Meats), filed April 26, 1972. Petitioner: Onley Refrigerated Transportation, Inc., New York, N.Y. Petitioner's representative: George A. Olsen, 69 Tonnele Avenue, Jersey City, NJ 07306. Petitioner holds authority in No. MC–115180 (Sub-No. 18), authorizing the transportation of, (1) food products (except commodities in bulk), in vehicles equipped with mechanical refrigeration; and (2) advertising materials, supplies, display materials, and premiums, when moving at the same time and in the same vehicle with commodities specified in (1) above, from East Rutherford, N.J., to points in Union County, N.J., and points in the New York, N.Y. commercial zone, as defined by the Commission, to points in five midwestern States. By the instant petition, petitioner seeks modification of its certificate to specifically include the transportation of "fresh meat." Any interested person or persons desiring to participate and to be heard in the matter may file an original and six copies of his written representations, views, or argument in support of or against the petition within 30 days from the date of this publication in the FEDERAL REGISTER.

No. MC–128275 and No. MC–128575 (Sub-No. 2), Notice of Filing of Petition to Modify Permits by Naming Portland, Oreg., as an Origin Point and the Addition of New Shippers), filed July 10, 1972. Petitioner: Golden West Trucking Co., Eugene, Oreg. Petitioner's representative: Lawrence V. Smart, Jr., 419 Northwest 23 Avenue, Portland, Oreg. 97210. Petitioner holds authority (A) No. MC–128275 authorizing the transportation of laminated wood products, and lumber and timbers, fabricated or not fabricated, and related hardware items for the foregoing, from points in Multnomah County, Oreg., and Lewis County, Wash., to points in 10 States; and (B) No. MC–128575 (Sub-No. 2), authorizing the transportation of (1) wooden decking, from Fresno, Calif., to points in Oregon and Washington; (2) lumber and wooden decking, from points in Mendocino, Glenn, Butte, Tehama, Shasta, Trinity, Humboldt, Del Norte, and Siskiyou Counties, Calif., to points in Oregon and Washington; (3) treated laminated wood products, treated lumber, and treated timbers, from Ridgefield, Wash., to Portland, Oreg. In each of the aforementioned permits the authority is limited to a transportation service to be performed under a continuing contract, or contracts, with Timber Structures, Inc. Petitioner requests that its permit in No. MC–128575 be modified by substituting Portland, Oreg., for Multnomah County, Oreg., as the origination point, so that it may serve Timfab, Inc., whose manufacturing plant is within the Portland terminal area but ouside of Multnomah County, Oreg. In No. MC–128575 (Sub-No. 2), petitioner requests that Independent Distributors and Timfab, Inc., be designated as contract shippers. Any interested person or persons desiring to participate and to be heard in the matter may file an original and six copies of his written representations, views or argument in support of or against the petition within 30 days from the date of this publication in the FEDERAL REGISTER.

No. MC 128898 (Sub-No. 1) (Corrected) (Notice of Filing of Petition for Modification of Permit), filed June 12, 1972, published in the FEDERAL REGISTER issue of July 19, 1972, corrected in part, and republished as corrected, this issue. Petitioner: STANDARD TRANSPORTATION, INC., Ogden, Utah. Petitioner's representative: Irene Warr, 430 Judge Building, Salt Lake City, Utah 84111. NOTE: The purpose of this partial republication is to reflect the correct docket number as MC 128898 (Sub-No. 1).

APPLICATION FOR CERTIFICATES OR PERMITS WHICH ARE TO BE PROCESSED CONCURRENTLY WITH APPLICATIONS UNDER SECTION 5 GOVERNED BY SPECIAL RULE 240 TO THE EXTENT APPLICABLE

No. MC 109265 (Sub-No. 24), filed July 6, 1972. Applicant: W. L. MEAD, INC., Post Office Box 31, Norwalk, OH 44857. Applicant's representative: John P. McMahon, 100 East Broad Street, Columbus, OH 43215. Authority sought to operate as a *common carrier*, by motor vehicle, over regular or irregular routes, transporting: *General commodities* (except those of unusual value, and except dangerous explosives, livestock, household goods as defined by the Commission, commodities in bulk, and those requiring special equipment), serving points in Ohio as off-route points in conjunction with regular route operations at North Fairfield, Ohio, or in the alternative, over irregular routes, between North Fairfield, Ohio, on the one hand, and, on the other, points in Ohio. NOTE: Applicant states that the requested authority can be tacked with its existing authority at North Fairfield, Ohio, on service between New England points and points in Ohio. The instant application is a matter directly related to MC–F 11603 published in the FEDERAL REGISTER issue of July 19, 1972. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

APPLICATIONS UNDER SECTIONS 5 AND 210a(b)

The following applications are governed by the Interstate Commerce Commission's Special Rules governing notice of filing of applications by motor carriers of property or passengers under sections 5(a) and 210a(b) of the Interstate Commerce Act and certain other proceedings with respect thereto. (49 CFR 1.240.)

MOTOR CARRIERS OF PROPERTY

No. MC–F–11576. (Correction) (ROBCO TRANSPORTATION, INC.—Purchase—BEST WAY FROZEN EXPRESS, INC., and MEAT PACKERS EXPRESS, INC.), published in the June 28, 1972, issue of the FEDERAL REGISTER on page 12761. Prior notice should be modified to include, (B) *Meat, meat products, meat byproducts, etc.*, from the plantsite of Iowa Beef Processors, Inc., at Dakota City, Nebr., and Emporia, Kans., to points in Arizona, California, New Mexico, Nevada, Oregon, Utah, and Washington, from Denison and Iowa Falls, Iowa, to points in Connecticut, Delaware, Kentucky, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Virginia, Vermont, West Virginia, and the District of Columbia, from Denison and Iowa Falls, Iowa, to points in Arizona, California, Nevada, Oregon, and Washington, with restrictions.

No. MC–F–11614. Authority sought for purchase by PEZZA TRANSPORTATION, INC., 60 Armento Street, Johnston, RI 02919, of the operating rights of VOUTOUR'S EXPRESS, INC., doing business as VOUTOUR'S EXPRESS (U.S. Internal Revenue Service, Successor in Interest), 366 Providence Road, South Grafton, MA 01560, and for acquisition by JOSEPH R. PEZZA, also of Johnston, RI 02919, of control of such rights through the purchase. Applicants' attorney: Francis E. Barrett, Jr., 10 Industrial Park Road, Hingham, MA 02043. Operating rights sought to be transferred: *General commodities*, except

those of unusual value, and except dangerous explosives, household goods as defined in *Practices of Motor Common Carriers of Household Goods*, 17 M.C.C. 467, livestock, commodities in bulk, commodities requiring special equipment, and those injurious or contaminating to other lading, as a *common carrier* over regular routes, between Providence, R.I., and Worcester, Mass.; *general commodities*, excepting among others, dangerous explosives, household goods, and commodities in bulk, between Worcester and Uxbridge, Mass., between Boston, Mass., and the Massachusetts-Connecticut State line, between Worcester, Mass., and the Massachusetts-Connecticut State line, between Southbridge, Mass., and the Massachusetts-Connecticut State line, between Webster, Mass., and the Massachusetts-Connecticut State line, service is authorized to and from all intermediate points, between Franklin, Mass., and Providence, R.I., between Franklin, Mass., and Slocum, R.I.; *yarn*, in truckload lots, from Franklin as specified above to Providence, R.I.

Thence over Rhode Island Highway 2 to junction unnumbered highway approximately 2 miles west of Slocum, and thence over unnumbered highway to Slocum; and return with *empty tubes and spools* for yarn, service is authorized to and from the intermediate point of Pawtucket, R.I.; *fertilizer*, over irregular routes, from Providence, R.I., to points and places in Connecticut and Massachusetts; *empty shipping containers*, from Providence, R.I., to points and places in Connecticut and Massachusetts; *steel*, from Pawtucket, R.I., to points and places in that part of Massachusetts north of U.S. Highway 44 and east of Massachusetts Highway 12, including points and places on the indicated portions of the highways specified, with restriction; *flour* and *rice*, from New Bedford, Mass., to Providence, R.I.; *groceries*, from Boston, Mass., to Fall River and New Bedford, Mass., from Providence, R.I., to Fall River and New Bedford, Mass., and New London, Conn.; *lubricating oil*, from East Providence and Providence, R.I., to Fall River and New Bedford, Mass.; *textile machinery*, from Boston, Mass., to Westerly, R.I.; *household goods* as defined in *Practices of Motor Common Carriers of Household Goods*, 17 M.C.C. 467, between New York, N.Y., and Cotuit, Mass.; *general commodities*, excepting among others, dangerous explosives, household goods, and commodities in bulk, between Boston, Mass., on the one hand, and, on the other, points and places in Massachusetts within 5 miles of Boston. Vendee is authorized to operate as a common carrier in Rhode Island. Application has not been filed for temporary authority under section 210a(b). NOTE: MC-35572 (Sub-No. 4), is a directly related matter.

No. MC-F-11615. Authority sought for purchase by THE OVERLAND TRANSPORTATION COMPANY, 184 Massillon Road, Akron, OH 44305, of the operating rights of MERCHANTS DELIVERY, INC., Post Office Box 541, Marietta, OH 45750, and for acquisition by JAMES S. PARSHALL, 339 Ely Road, Akron, OH 44313, of control of such rights through the purchase. Applicants' attorneys: Robert R. Redmon and Robert S. Burk, 2001 Massachusetts Avenue NW., Washington, DC 20036, and James R. Stiverson, 500 West Broad Street, Columbus, OH 43215. Operating rights sought to be transferred: Under a certificate of registration in Docket No. MC-98487 (Sub-No. 1), covering the transportation of property, as a common carrier, in interstate commerce, within the State of Ohio. Vendee is authorized to operate as a *common carrier* in Ohio, South Carolina, North Carolina, Virginia, West Virginia, and Georgia. Application has been filed for temporary authority under section 210a(b). NOTE: MC-31435 (Sub-No. 9) is a directly related matter.

No. MC-F-11616. Authority sought for purchase by FOOD TRANSPORT, INC., Post Office Box 1041, York, PA 17405, of a portion of the operating rights of EARL SWANSON BLANCHFIELD, Rural Route No. 5, Winchester, Va. 22601, and for acquisition by STEWART LLOYD, 2100 Pleasant View Drive, York, PA, and PAUL HIVELY, 287 Dew Drop Road, York, PA, of control of such rights through the purchase. Applicants' attorney: S. Harrison, Kahn, Suite 733, Investment Building, Washington, D.C. 20005. Operating rights sought to be transferred: *Apples* and *peaches*, as a *common carrier* over irregular routes, from Winchester and Berryville, Va., and Charles Town, Martinsburg, and Tablers Station, W. Va., to Washington, D.C., Baltimore, Md., Philadelphia, Pa., Newark, N.J., and New York, N.Y.; *fruit products*, from Winchester and Strasburg, Va., and Inwood, W. Va., to Washington, D.C., Baltimore, Frederick, and Cumberland, Md., Philadelphia, Pa., Piedmont, W. Va., and points and places in North Carolina; *canned goods*, from Perryman, Thurmont, Frederick, and Mount Airy, Md., and Greencastle, Pa., to Winchester, Va.; *hardware, fencing materials, feed, seeds, groceries*, and *spray materials*, from Baltimore, Md., to Winchester, Va.; *fertilizer*, from Baltimore, Md., to Berryville, Front Royal, Winchester, and Harrisonburg, Va., Charles Town, Martinsburg, and Romney, W. Va., and intermediate points on U.S. Highway 11 between Winchester and Harrisonburg; *household goods*, between Winchester, Va., and points and places in Virginia within 10 miles of Winchester, on the one hand, and, on the other, points and places in the District of Columbia and Maryland. Vendee is authorized to operate as a *common carrier* in Pennsylvania, Florida, Maryland, Alabama, Georgia, New Jersey, Louisiana, Texas, New York, Mississippi, West Virginia, Virginia, Delaware, Ohio, Kentucky, Rhode Island, Arkansas, Connecticut, Massachusetts, Tennessee, North Carolina, and the District of Columbia. Application has not been filed for temporary authority under section 210a(b).

No. MC-F-11617. Authority sought for purchase by HYMAN FREIGHTWAYS, INC., Post Office Box 3275, 2690 Prior Avenue N., St. Paul, MN 55113, of the operating rights and property of DONALD E. MILLER AND NORMA H. MILLER, doing business as MILLER TRANSFER, Box 217, Ceresco, NE 68017, and for acquisition by EUGENE PIKOVSKY, also of St. Paul, Minn. 55113, of control of such rights and property through the purchase. Applicants' attorneys: Donald A. Morken, 1000 First National Bank Building, Minneapolis, Minn. 55402, and Paul Galter, 811 South 13th Street, Lincoln, NE 68508. Operating rights sought to be transferred: Under a certificate of registration, in Docket No. MC-121561, covering the transportation of sand, gravel, crushed rocks, dam and road construction materials, requiring the use of dump trucks, as a common carrier, over irregular routes, between all points and places in Nebraska; and *general commodities*, except commodities in bulk and commodities which because of size or weight require special equipment, as a *common carrier* over regular routes, between Lincoln and Omaha, Nebr., serving all intermediate points, and the off-route points of Cedar Bluffs, Colon, and Davey, Nebr., between junction U.S. Highway 77 and Nebraska Highway 63 and Mead, Nebr., serving all intermediate points and the off-route points of Ithaca and Old Nebraska Ordnance Plant, Nebr., between Lincoln and Wahoo, Nebr., serving all intermediate points and the off-route points of Raymond, Malmo, Malcolm, and Weston, Nebr., with restriction. Vendee is authorized to operate as a *common carrier* in South Dakota, Minnesota, Iowa, Wisconsin, North Dakota, Illinois, Nebraska, Kansas, and Missouri. Application has been filed for temporary authority under section 210a(b).

By the Commission.

[SEAL] ROBERT L. OSWALD,
Secretary.

[FR Doc.72-12465 Filed 8-8-72;8:49 am]

[Notice 107]

MOTOR CARRIER TEMPORARY AUTHORITY APPLICATIONS

AUGUST 3, 1972.

The following are notices of filing of applications[1] for temporary authority under section 210a(a) of the Interstate Commerce Act provided for under the new rules of Ex Parte No. MC-67 (49 CFR Part 1131), published in the FEDERAL REGISTER, issue of April 27, 1965, effective July 1, 1965. These rules provide that protests to the granting of an application must be filed with the field official named in the FEDERAL REGISTER publication, within 15 calendar days after the date of notice of the filing of the application is published in the FEDERAL REGISTER. One copy of such protests must be served on the applicant, or its authorized representative, if any, and

[1] Except as otherwise specifically noted, each applicant states that there will be no significant effect on the quality of the human environment resulting from approval of its application.

the protests must certify that such service has been made. The protests must be specific as to the service which such protestant can and will offer, and must consist of a signed original and six (6) copies.

A copy of the application is on file, and can be examined at the Office of the Secretary, Interstate Commerce Commission, Washington, D.C., and also in field office to which protests are to be transmitted.

MOTOR CARRIERS OF PROPERTY

No. MC 59264 (Sub-No. 56 TA), filed July 20, 1972. Applicant: SMITH & SOLOMON TRUCKING CO., How Lane, New Brunswick, N.J. 08902. Applicant's representative: Jeffrey L. Shernoff, 1 World Trade Center, New York, N.Y. 10048. Authority sought to operate as a *common carrier,* by motor vehicle, over irregular routes, transporting: *Printing ink,* in bulk, in tank vehicles, from Philadelphia, Pa., to New York, N.Y., restricted to shipments originating at the plantsite of Levey Division—Cities Service Co., for 180 days. Supporting shipper: Levey Division—Cities Service Co., 1223 Washington Avenue, Philadelphia, PA 19147. Send protests to: District Supervisor Robert S. H. Vance, Interstate Commerce Commission, Bureau of Operations, 970 Broad Street, Newark, NJ 07102.

No. MC 98971 (Sub-No. 2 TA), filed July 21, 1972. Applicant: BAKER TRUCKING, INC., 16 South Second West, Baker, Mont. 59313. Applicant's representative: Leslie R. Kehl, Suite 420 Denver Club Building, Denver, Colo. 80202. Authority sought to operate as a *common carrier,* by motor vehicle, over irregular routes, transporting: *General commodities,* except those of unusual value, Class A and B explosives, household goods as defined by the Commission, commodities in bulk, and those requiring special equipment, between Miles City, Mont., and Marmarth, N. Dak., serving all intermediate points from Marmarth, N. Dak., over U.S. Highway 12 to Miles City, Mont., and return over the same route with authority to interline with other carriers at Miles City, Mont., and Marmarth, N. Dak. Applicant already holds authority coextensive with the foregoing subject, however, to the following restriction: "Service in Miles City restricted against the interchange of traffic originating at or destined to points west of Miles City." The effect of the present application is to eliminate the restriction, for 180 days. Supported by: There are approximately 16 statements of support attached to the application, which may be examined here at the Interstate Commerce Commission in Washington, D.C., or copies thereof which may be examined at the field office named below. Send protests to: Paul J. Labane, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 251 U.S. Post Office Building, Billings, Mont. 59101.

No. MC 102616 (Sub-No. 873 TA), filed July 19, 1972. Applicant: COASTAL TANK LINES, INC., 215 East Waterloo Road, Akron, OH 44319, Post Office Box 7211 (44306). Authority sought to operate as a *common carrier,* by motor vehicle, over irregular routes, transporting: *Jet fuel,* (JP4 aviation fuel), in bulk, in tank vehicles, from Port Mahon, Del., to Edgewood Arsenal, Edgewood, Md., for 150 days. Supporting shipper: Department of the Army, Office of the Judge Advocate General, Washington, D.C. 20310. Send protests to: Franklin D. Bail, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 181 Federal Office Building, 1240 East Ninth Street, Cleveland, Ohio 44199.

No. MC 111672 (Sub-No. 8 TA), filed July 19, 1972. Applicant: R & M TRUCK LINE, INC., Post Office Box 422, Oskaloosa, IA 52577. Applicant's representative: Larry D. Knox, 910 Hubbell Building, Des Moines, Iowa 50309. Authority sought to operate as a *common carrier,* by motor vehicle, over irregular routes, transporting: *Calcium chloride,* in bags, from Oskaloosa, Iowa to points in Missouri, for 180 days. Supporting shipper: Binns & Stevens Sprayers, Inc., Oskaloosa, Iowa 52577. Send protests to: Herbert W. Allen, Transportation Specialist, Interstate Commerce Commission, Bureau of Operations, 677 Federal Building, Des Moines, Iowa 50309.

No. MC 116273 (Sub-No. 155 TA), filed July 14, 1972. Applicant: D & L TRANSPORT, INC., 3800 South Laramie Avenue, Cicero, IL 60650. Applicant's representative: William R. Lavery (same address as above). Authority sought to operate as a *common carrier,* by motor vehicle, over irregular routes, transporting: *Liquid corn syrup,* in bulk, in tank vehicles, from Rolumus, Mich., to Chesaning, Detroit, Farmington, Lansing, New Baltimore, and Warren, Mich., restricted to traffic having a prior movement by rail, for 180 days. Supporting shipper: H. P. Hansen, Assistant Traffic Manager, Clinton Corn Processing Co., Clinton, Iowa 52732. Send protests to: District Supervisor Richard K. Shullaw, Interstate Commerce Commission, Bureau of Operations, Everett McKinley Dirksen Building, 219 South Dearborn Street, Room 1086, Chicago, IL. 60604.

No. MC 116763 (Sub-No. 233 TA), filed July 11, 1972. Applicant: CARL SUBLER TRUCKING, INC., North West Street, Versailles, Ohio 45380 (Addition and Location of Records) 906 Magnolia Avenue, Auburndale, FL 33823 (Legal Domicile). Applicant's representative: H. M. Richters (same address as above). Authority sought to operate as a *common carrier,* by motor vehicle, over irregular routes, transporting: *Paper and paper articles,* from Brainerd and Cloquet, Minn., to points in New Jersey, New York, Pennsylvania, Virginia, Maryland, and the District of Columbia, for 180 days. Supporting shipper: The Northwest Paper Co., Cloquet, Minn. Send protests to: Paul J. Lowry, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 5514-B Federal Building, 550 Main Street, Cincinnati, OH 45202.

No. MC 117068 (Sub-No. 20 TA), filed July 19, 1972. Applicant: MIDWEST HARVESTORE TRANSPORT, INC., 2118 17th Avenue NW., Rochester, MN 55901. Applicant's representative: Allen I. Koenig (same address as above). Authority sought to operate as a *common carrier,* by motor vehicle, over regular routes, transporting: (1) *Seat cabs,* except those used on earth moving machinery, from Rochester, Minn., to Denver, Colo., Bowling Green, Ohio and Ottawa, Kans.; and (2) *seat cabs, and parts thereof,* from Rochester, Minn., to Aurora and Decatur, Ill.; and Cedar Rapids, Charles City, and Waverly, Iowa, for 180 days. Supporting shipper: Crenlo, Inc., 1600 Fourth Avenue NW., Rochester, MN 55901. Send protests to: A. N. Spath, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 448 Federal Building, and U.S. Courthouse, 110 South Fourth Street, Minneapolis, Minn. 55401.

No. MC 124078 (Sub-No. 527 TA), filed July 20, 1972. Applicant: SCHWERMAN TRUCKING CO., 611 South 28th Street, Milwaukee, WI 53215. Applicant's representative: Richard H. Prevette (same address as above). Authority sought to operate as a *common carrier,* by motor vehicle, over irregular routes, transporting: *Cement,* from Fairborn, Ohio, to points in Wood, Kanawha, Cabell, and Wayne Counties, W. Va., for 180 days. Supporting shipper: Southwestern Portland Cement Co., 506 East Xenia Drive, Fairborn, OH (F. I. Griffith, Traffic Coordinator). Send protests to: District Supervisor John E. Ryden, Interstate Commerce Commission, Bureau of Operations, 135 West Wells Street, Room 807, Milwaukee, WI 53203.

No. MC 128383 (Sub-No. 18 TA), filed July 21, 1972. Applicant: PINTO TRUCKING SERVICE, INC., 1414 Calcon Hook Road, Sharon Hill, PA 19079. Applicant's representative: James W. Patterson, 123 South Broad Street, Philadelphia, PA 19109. Authority sought to operate as a *common carrier,* by motor vehicle, over irregular routes, transporting: *General commodities* (except commodities in bulk), between John F. Kennedy International Airport, New York, N.Y., and Logan International Airport, Boston, Mass., restricted to the transportation of traffic having a prior or subsequent movement by air, for 180 days. NOTE: Applicant states it does intend to tack the authority with MC-128383, MC-128383 Sub No. 3, and MC-128383 Sub No. 6. Supporting shippers: Lufthansa German Lines, Lugthansa Building, 1640 Hempstead Turnpike, East Meadow, N.Y. 11554; Pan American World Airways, J. F. Kennedy International Airport, Jamaica, N.Y. 11430; Air Progress, Inc., 144-29 156th Street, Jamaica, NY 11430; Burlington Northern Air Freight, New York, N.Y.; Trans-World Shipping Corp., Post Office Box 178, J. F. Kennedy International Airport, Jamaica, NY 11430. Send protests to: Peter R. Guman, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 1518 Walnut Street, Room 1600, Philadelphia, PA 19102.

No. MC 128672 (Sub-No. 4 TA), filed July 17, 1972. Applicant: TIMBER TRUCKING CO., INC., Post Office Box 8188, 928 Cross Lanes Drive, Nitro, WV 25143. Applicant's representative: Robert De Hart (same address as above). Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Lumber, timber, and wood products*, moving on commercial bill of lading, from (1) points in Clearfield County, Pa., to points in Delaware, Indiana, Kentucky, Maryland, Michigan, New Jersey, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, West Virginia, Georgia, Alabama, Mississippi, Connecticut, Rhode Island, Massachusetts, Vermont, Maine, Washington, D.C., New Hampshire, and Illinois; (2) points in Roane County, W. Va., Rockbridge County, Va.; and Powell County, Ky.; to points in Georgia, Alabama, Mississippi, Connecticut, Rhode Island, Vermont, Massachusetts, Maine, Washington, D.C., New Hampshire, and Illinois; and (3) Chesapeake Bay Plywood Co., U.S. Route 13, 1 mile north Pocomoke City, Md.; Somerset County to points in Rockbridge County, Va., for 180 days. Supporting shipper: Burke-Parsons-Bowlby Corp., Nitro, W. Va. 25143, Attention: Richard E. Bowlby, president. Send protests to: H. R. White, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 3108 Federal Office Building, 500 Quarrier Street, Charleston, WV 25301.

No. MC 128882 (Sub-No. 7 TA), filed July 21, 1972. Applicant: R. W. STEELE, doing business as R. W. STEELE TRUCKING COMPANY, 320 Heaslet Street, Clovis, NM 88101. Applicant's representative: Hugh T. Matthews, 630 Fidelity Tower, Dallas, Tex. 75201. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Irrigation systems and parts thereof*, between points in Thayer County, Nebr., on the one hand, and, on the other, points in Kansas, Oklahoma, Texas, Colorado, New Mexico, Arizona, and California, for 180 days. Supporting shipper: Sprink-L-Rite Corp., 321 Sycamore Street, Clovis, NM 88101. Send protests to: District Supervisor William R. Murdoch, Interstate Commerce Commission, Bureau of Operations, 1106 Federal Office Building, 517 Gold Avenue SW., Albuquerque, NM 87101.

No. MC 133106 (Sub-No. 22 TA), filed July 20, 1972. Applicant: NATIONAL CARRIERS, INC., 1501 East Eighth Street, Post Office Box 1358, Liberal, KS 67901. Applicant's representative: Acklie & Peterson, Post Office Box 80806, Lincoln, NE 68501. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: (1) *Diagnostic products, medicines, proprietary drugs, ethical drugs, nonprescription sunglasses, tooth brushes, dental impression compounds, denture cleansing paste, dental adhesives, dental wax, and crowns*, from Morris Plains, N.J., to Peoria, Ill., Dallas, Tex., and Los Angeles, Calif.; (2) *nonprescription sunglasses*, from Chelsea, Maine, to destination points named in Part (1); and (3) *tooth brushes, dental impression compounds, denture cleansing paste, dental adhesives, dental wax, and crowns*, from Philadelphia, Pa., to destination points named in Part (1), for 180 days. Supporting shipper: Warner-Lambert Co., Morris Plains, N.J. Send protests to: M. E. Taylor, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 501 Petroleum Building, Wichita, Kans. 67202.

No. MC 133741 (Sub-No. 13 TA), filed July 18, 1972. Applicant: OSBORNE TRUCKING CO., INC., 1008 Sierra Drive, Riverton, WY 82501. Applicant's representative: Robert S. Stauffer, 3539 Boston Road, Cheyenne, WY 82001. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Lumber and lumber products*, from Evanston, Wyo., to points in Colorado and those in Nebraska located on and west of U.S. Highway No. 83, for 180 days. Supporting shipper: Cougar Sawmills, Inc., 510 Lincoln Building, Spokane, Wash. 99201. Send protests to: District Supervisor P. A. Naughton, Interstate Commerce Commission, Bureau of Operations, Room 1006, Federal Building and Post Office, 100 East B Street, Casper, WY 82601.

No. MC 133741 (Sub-No. 14 TA), filed July 21, 1972. Applicant: OSBORNE TRUCKING CO., INC., 1008 Sierra Drive, Riverton, WY 82501. Applicant's representative: Robert S. Stauffer, 3539 Boston Road, Cheyenne, WY 82001. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Cedar fencing products*, from points in Idaho north of and including Idaho County, Idaho, to points in Colorado, for 180 days. Supporting shipper: Potlatch Forests, Inc., Post Office Box 15216, Denver, CO 80215. Send protests to: District Supervisor Paul A. Naughton, Interstate Commerce Commission, Bureau of Operations, Room 1006, Federal Building and Post Office, 100 East B Street, Casper, WY 82601.

No. MC 135088 (Sub-No. 2 TA), filed July 19, 1972. Applicant: STREETER MOVING & STORAGE CO., INC., 1051 Market Road, Columbia, SC 29201. Applicant's representative: Weston Adams, 403 Security Building, Columbia, S.C. 29201. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Used household goods*, as defined by the Commission, *unaccompanied baggage and personal effects*, (1) between points in South Carolina and Rabun, Habersham, Stephens, Franklin, Hart, Elbert, Lincoln, Columbia, Richmond, Burke, Screven, Effingham, and Chatham Counties, Ga.; Polk, Monroe, Blount, Sevier, Cocke, Greene, Unicoi, Carter and Johnson Counties, Tenn.; and Norfolk, Nansemond, South Hampton, Greensville, Brunswick, Mecklenburg, Halifax, Pittsylvania, Henrey, Patrick, Carroll, Grayson, and Washington Counties, Va.; and (2) between points in Cherokee, Clay, Graham, Swain, Macon, Jackson, Haywood, Transylvania, Madison, Buncombe, Henderson, Yancey, Polk, Mitchell, McDowell, Rutherford, Avery, Burke, Cleveland, Gaston, Lincoln, Catawba, Caldwell, Watauga, Ashe, Alexander, Wilkes, Alleghany, Surry, Iredell, Stokes, Yadkin, Forsythe, Davie, Davidson, Rowan, Cabarrus, Stanly, Mecklenburg, Union, Anson, Rockingham, Guilford, Randolph, Montgomery, Richmond, Scotland, Gaswell, Almance, Chatham, Moore, Hoke, Robeson, Lee, Hartnett, Cumberland, Bladen, Sampson, Columbus, Brunswick, and New Hanover Counties, N.C., for 180 days. Restriction: The operations authorized herein are subject to the following conditions: Said operations are restricted to the transportation of traffic having a prior or subsequent movement, in containers, except as to the unaccompanied baggage and personal effects, beyond the points authorized, said operations are restricted to the performance of pickup and delivery service in connection with packing, crating, and containerization or unpacking, uncrating and decontainerization of such traffic. Note: Applicant states that it does intend to tack the authority with MC 135088. Supporting shippers: Smythe Worldwide Movers, Inc., 11616 Aurora Avenue North, Seattle, WA 98133; Department of the Army, Headquarters, Military Traffic Management and Terminal Service, Washington, D.C. 203154; Asiatic Forwarders, Inc., 335 Valencia Street, San Francisco, CA 94103; HC&D Moving and Storage Co., Inc., 321 Valencia Street, San Francisco, CA 94103. Send protests to: E. E. Strotheid, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 300 Columbia Building, 1200 Main Street, Columbia, SC 20201.

No. MC 135889 (Sub-No. 2 TA), filed July 25, 1972. Applicant: BOYD TANK LINES, INC., 10916 Clermont Avenue, Garrett Park, MD 20766. Applicant's representative: Walter T. Evans, 615 Perpetual Building, Washington, D.C. 20004. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Brick*, moving on flat bed equipment, from the facilities of Shenandoah Brick and Tile Corp. in Frederick County, Va., to points in Montgomery, Frederick, and Prince Georges Counties, Md., restricted to transportation service to be performed under a continuing contract or contracts with E. C. Keys and Son, Inc., and to shipments originating at the facilities of Shenandoah Brick and Tile Corp., for 150 days. Supporting shipper: E. C. Keys & Son, Inc., 9015 Brookville Road, Silver Spring, MD 20910. Send protests to: Robert D. Caldwell, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 12th Street and Constitution Avenue NW., Washington, D.C. 20423.

No. MC 136343 (Sub-No. 1 TA), filed July 19, 1972. Applicant: MILTON TRANSPORTATION, INC., Post Office Box 207, Rural Delivery 1, Milton, PA 17847. Applicant's representative: Georgia A. Olsen, 69 Tonnele Avenue, Jersey

City, NJ 07306. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Scrap metals*, from Jersey City, Newark, Elizabeth, Camden, and Phillipsburg, N.J., New York and Kingston, N.Y.; Baltimore, and Hagerstown, Md.; Wilmington, Del.; and Alexandria, Va., to the facilities of Milton Scrap Metal Industries, Inc., Milton, Pa. for 180 days. Supporting shipper: Milton Scrap Metal Industries, Inc., 720 South Front Street, Milton, PA 17847. Send protests to: Robert W. Ritenour, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 508 Federal Building, Post Office Box 869, Harrisburg, PA 17108.

No. MC 136811 (Sub-No. 1 TA), filed July 21, 1972. Applicant: P. CHIMENTO CO., INC., 49-40 Maspeth Avenue, Maspeth, NY 11378. Applicant's representative: Irvin Klein, 280 Broadway, New York, NY 10007. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *General commodities*, with usual exceptions in shipper owned or leased containers and chassis, between the site of Global Terminal and Container Services, Inc., Jersey City, N.J., on the one hand, and, on the other, Port Newark and Port Elizabeth, N.J., for the account of Dart Containership Agencies, Columbus Line, Inc., and U.S. Atlantica Containership Agencies, Inc., for 150 days. Supporting shippers: Global Terminal & Container Services, Inc., Post Office Box 273, Jersey City, NJ 07303; U.S. Atlantica Containership Agencies, Inc., 17 Battery Place North, New York, NY 10004. Dart Containerline, Inc., 5 World Trade Center, New York, NY 10048; Columbus Line, Inc., One World Trade Center, Suite 3247, New York, NY 10048. Send protests to: Thomas W. Hopp, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 26 Federal Plaza, New York, NY 10007.

No. MC 136882 (Sub-No. 1 TA), filed July 21, 1972. Applicant: BTA TRUCKING CO., INC., 502 West Lester Street, Woodbury, TN 37190. Applicant's representative: Bill T. Alexander (same address as above). Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: (1) *Aluminum storm doors and windows*, from the V. E. Anderson Plant in Woodbury, Tenn., to their customers at the following locations: Selinsgrove, Pa.; Elkhart, Ind.; Charlotte, N.C.; Kilgore, Tex.; Haleyville, Ala.; Americus, Ga.; Marshfield, Wis.; and Owensboro, Ky.; (2) *aluminum extrusions*, from their plant in Rome, Ga.; to Woodbury, Tenn., and (3) *tempered door glass*, from their supplier in Vincennes, Ind., to Woodbury, Tenn., for 180 days. Supporting shipper: V. E. Anderson Manufacturing Co., Post Office Box 370, Woodbury, TN 37190. Send protests to: Joe J. Tate, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 803 1808 West End Building, Nashville, TN 37203.

No. MC 136893 (Sub-No. 1 TA), filed July 21, 1972. Applicant: MONARCH MOTOR FREIGHT, INC., 4109 Angeline Drive, Sterling Heights, MI 48077. Applicant's representative: William B. Elmer, 23801 Gratiot Avenue, East Detroit, MI 48021. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Plywood and hardboard*, from Detroit, Mich., to points in Chesterfield Township, Macomb County, Coldwater and Litchfield, Mich., under a continuing contract with Paul Bihary and Associates Co. of Oak Park, Mich., for 180 days. Supporting shipper: Paul Bihary and Associates Co., Post Office Box 8905, Oak Park, MI 48237. Send protests to: Melvin F. Kirsch, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 1110 Broderick Tower, 10 Witherell, Detroit, MI 48226.

No. MC 136894 (Sub-No. 1 TA), filed July 24, 1972. Applicant: MYRON V. MORRIS AND HORACE R. STURGIS, doing business as HOLMOR TRANSPORT COMPANY, Main Street, Post Office Box 435, Bingham, ME 04920. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Wood chips*, in bulk, from international boundary between the United States/Canada at or near Jackman, Maine to Jay, Maine. Restricted to traffic in behalf of Beaudry Lumber, Inc., 1500 Pacific Street, Sherbrooke, PQ, Canada, for 180 days. Supporting shipper: Beaudry Lumber, Inc., 1500 Pacific Street, Sherbrooke, PQ, Canada. Send protests to: District Supervisor Donald G. Weiler, Interstate Commerce Commission, Bureau of Operations, Room 307, 76 Pearl Street, Post Office Box 167, PSS, Portland, ME 04112.

No. MC 136911 TA, filed July 20, 1972. Applicant: PACKAGE EXPRESS, INC., 22 Tyler Street, Springfield, MA 01109. Applicant's representative: David M. Marshall, 135 State Street, Springfield, MA 01103. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Such merchandise* as is dealt in by retail, wholesale, and chain department stores, and in connection therewith, *materials, equipment, and supplies* used in the conduct of such business between points in Hampden, Hampshire and Berkshire Counties, Mass., on the one hand, and, on the other, Litchfield, Tolland, Windham and Hartford Counties, Conn., and Albany, Schenectady, Kingston and Poughkeepsie, N.Y., restricted to shipments originating at or destined to the stores, warehouses or facilities of Forbes & Wallace, Inc., of Springfield, Mass., for 150 days. Supporting shipper: Forbes & Wallace, Inc., Springfield, Mass. Send protests to: District Supervisor Joseph W. Balin, Bureau of Operations, Interstate Commerce Commission, 338 Federal Building and U.S. Courthouse, 436 Dwight Street, Springfield, MA 01103.

No. MC 136913 TA, filed July 19, 1972. Applicant: FRED SNIDER, doing business as SUNDOWN LUMBER EXPRESS, Post Office Box 8493, Stockton, CA 95204. Applicant's representative: Fred Snider (same address as above). Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Forest products and building materials*, from points in California to points in Arizona, Colorado, Kansas, Nevada, New Mexico, Oklahoma, Oregon, Utah, and Texas; and from points in Arkansas, Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Oklahoma, Oregon, Utah, Washington, and Wyoming, to points in California, under a continuing contract with Sundown Timber Co., for 180 days. Supporting shipper: Sundown Timber Co., Post Office Box 8493, Stockton, CA 95204. Send protests to: District Supervisor Wm. E. Murphy, Bureau of Operations, Interstate Commerce Commission, 450 Golden Gate Avenue, Box 36004, San Francisco, CA 94102.

No. MC 136914 TA, filed July 19, 1972. Applicant: WALLACE E. BROWN, Route 2, Box 130, Grand Junction TN 38039. Applicant's representative: A. Doyle Cloud, Jr., 2008 Clark Tower, 5100 Poplar Avenue, Memphis, TN 38137. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Dairy products and noncarbonated fruit-flavored drinks*, from the plantside of Dean Foods, Co., Inc., in Memphis, Tenn., to points in Grenada, Tippah, Marshall, Benton, Coahoma, Tunica, Hinds, Rankin, and Forrest Counties, Miss., for 180 days. Supporting shipper: Dean Foods Co., Inc., 2040 Madison Avenue, Memphis, TN 38104. Send protests to: Floyd A. Johnson, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 933 Federal Office Building, 167 North Main Street, Memphis, TN 38103.

MOTOR CARRIERS OF PASSENGERS

No. MC 112422 (Sub-No. 4 TA), filed July 20, 1972. Applicant: SAM VAN GALDER, INC., 74 South Harmony Drive, 715 South Pearl Street, Janesville, WI 53545. Applicant's representative: Victoria G. Yates, 8 South Madison Street, Evansville, WI 53536. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Passengers*, between Janesville, Wis., and the Admiral Corp. plant at Harvard, Ill., via Beloit, Wis., and intermediate points, for 180 days. NOTE: Applicant states it does intend to tack the authority with MC 112422. Supporting shippers: Admiral Corp., Harvard, Ill.; 20 passengers, Janesville, Wis.; 67 passengers, Beloit, Wis. Send protests to: Barney L. Hardin, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 139 West Wilson Street, Room 206, Madison, WI 53703.

By the Commission.

[SEAL] ROBERT L. OSWALD,
Secretary.

[FR Doc.72-12466 Filed 8-8-72;8:49 am]

NOTICE OF FILING OF MOTOR CARRIER INTRASTATE APPLICATIONS

AUGUST 4, 1972.

The following applications for motor common carrier authority to operate in intrastate commerce seek concurrent motor carrier authorization in interstate or foreign commerce within the limits of the intrastate authority sought, pursuant to section 206(a)(6) of the Interstate Commerce Act, as amended October 15, 1962. These applications are governed by Special Rule 1.245 of the Commission's rules of practice, published in the FEDERAL REGISTER, issue of April 11, 1963, page 3533, which provides, among other things, that protests and requests for information concerning the time and place of State Commission hearings or other proceedings, any subsequent changes therein, any other related matters shall be directed to the State Commission with which the application is filed and shall not be addressed to or filed with the Interstate Commerce Commission.

Kansas docket number not shown (Amendment), filed May 11, 1972, published in the FEDERAL REGISTER issue of June 1, 1972, and republished, as amended this issue. Applicant: GRIFFIN FREIGHT LINES, INC., 6615 East Bayley, Wichita, KS. Applicant's representatives: Warner Moore and Curtis Irby, Union National Building, Suite 715, Wichita, Kans. 67202. Certificate of publice convenience and necessity sought to operate a freight service as amended as follows: Transportation of general commodities of all kinds, between Wichita, Kans., and Emporia, Kans., to, from, and between the following intermediate and off route points: Newton, Hesston, Peabody, Florence, Marion, Strong City, and Cottonwood Falls, over the following routes: Interstate 35 West between Wichita and Hesston, also U.S. Highway 81; thence U.S. Highway 50 between Newton and Emporia; thence U.S. Highway 77 and U.S. Highway 56 to Marion, also Kansas Highway 177 between Strong City and Cottonwood Falls and return over each of these routes; also alternate route for operating convenience only, by Kansas Highway 150 from junction of 150 and U.S. Highway 50 to the junction of Kansas Highway 150 and U.S. Highway 56 to the junction of Kansas Highway 150 and U.S. Highway 56; thence by U.S. Highway 56 and U.S. Highway 77 to the junction of U.S. Highway 77 and U.S. Highway 56, 3 miles east of Marion and return over the same route; also between Marion, Kans., and U.S. Highway 50 by county road 10 miles south of Marion and return by the same route; between Wichita, Kans., and Emporia, Kans., over Interstate 35 (turnpike) by closed door operation in both directions. Both intrastate and interstate authority sought. Hearing: Wednesday, August 30, 1972, at 10 a.m. at the Holiday Inn Midtown, 1000 North Broadway, Wichita, KS, and at the Ramada Inn, 1938 Merchants, Emporia, KS, on Thursday, August 31, 1972, at 10 a.m. Requests for procedural information including the time for filing protests concerning this application should be addressed to the State Corporation Commission, Transportation Division, Fourth Floor, State Office Building, Topeka, Kans. 66612 and should not be directed to the Interstate Commerce Commission.

California Docket No. 53463 filed July 18, 1972. Applicant: SHIMA TRANSFER CO., 74 Mission Rock Street, San Francisco, CA 94107. Certificate of public convenience and necessity sought to operate a freight service as follows: Transportation of *General commodities*, between points and places in the San Francisco territory described as follows: San Francisco territory includes all the city of San Jose and that area embraced by the following boundary: Beginning at the point of San Francisco-San Mateo County boundary line meets the Pacific Ocean; thence easterly along said boundary line to a point 1 mile west of U.S. Highway 101; southerly along an imaginary line 1 mile west of and paralleling U.S. Highway 101 to its intersection with Southern Pacific Co. right-of-way at Arastradero Road; southeasterly along the Southern Pacific Co. right-of-way to Pollard Road, including industries served by the Southern Pacific Co. spur line extending approximately 2 miles southwest from Simla to Permanente; easterly along Pollard Road to West Parr Avenue; easterly along West Parr Avenue to Capri Drive; southerly along Capri Drive to East Parr Avenue; easterly along East Parr Avenue to the Southern Pacific Co. right-of-way; southerly along the Southern Pacific Co. right-of-way to the Campbell-Los Gatos city limits; easterly along said limits and the prolongation thereof to the San Jose-Los Gatos Road; northeasterly along San Jose-Los Gatos Road to Foxworthy Avenue; easterly along Foxworthy Avenue to Almaden Road; southerly along Almaden Road to Hillsdale Avenue; easterly along Hillsdale Avenue to U.S. Highway 101; northwesterly along U.S. Highway 101 to Tully Road; northeasterly along Tully Road to White Road; northwesterly along White Road to McKee Road; southwesterly along McKee Road to Capitol Avenue; northwesterly along Capitol Avenue to State Highway 17 (Oakland Road); northerly along State Highway 17 to Warm Springs; northerly along the unnumbered highway via Mission San Jose and Niles to Hayward; northary Avenue; easterly along Seminary Avenue to Mountain Boulevard; northerly along Mountain Boulevard and Moraga Avenue to Estates Drive; westerly along Estates Drive, Harbord Drive and Broadway Terrace to College Avenue; northerly along College Avenue to Dwight Way; easterly along Dwight Way to the Berkeley-Oakland boundary line; northerly along said boundary line to the campus boundary of the University of California; northerly and westerly along the campus boundary of the University of California to Euclid Avenue; northerly along Euclid Avenue to Marin Avenue; westerly along Marin Avenue to Arlington Avenue; northerly along Arlington Avenue to U.S. Highway 40 (San Pablo Avenue); northerly along U.S. Highway 40 to and including the city of Richmond; southwesterly along the highway extending from the city of Richmond to Point Richmond; southerly along an imaginary line from Point Richmond to the San Francisco waterfront at the foot of Market Street; westerly along said waterfront and shoreline to the Pacific Ocean; southerly along the shoreline of the Pacific Ocean to point of beginning. Except that applicant shall not transport any shipments of: (1) Used household goods and personal effects not packed in accordance with the crated property requirements set forth in paragraph (d) of item No. 10-C of Minimum Rate Tariff No. 4-A; (2) automobiles, trucks, and buses, viz: new and used, finished or unfinished passenger automobiles (including jeeps), ambulances, hearses, and taxis; freight automobiles, automobile chassis, trucks, truck chassis, truck trailers, trucks and trailers combined, buses, and bus chassis; (3) livestock, viz: bucks, bulls, calves, cattle, cows, dairy cattle, ewes, goats, hogs, horses, kids, lambs, oxen, pigs, sheep, sheep camp outfits, sows, steers, stags, or swine; (4) liquids, compressed gases, commodities in semiplastic form and commodities in suspension in liquids in bulk, in tank trucks, tank trailers, tank semitrailers, or a combination of such highway vehicles; (5) commodities when transported in bulk in dump trucks or in hopper-type trucks; (6) commodities when transported in motor vehicles equipped for mechanical mixing in transit; (7) cement; (8) logs and (9) commodities of unusual or extraordinary value. Both intrastate and interstate authority sought.

HEARING: Date, time, and place not shown. Requests for procedural information including the time for filing protests concerning this application should be addressed to the California Public Utilities Commission, State Building, Civic Center, 455 Golden Gate Avenue, San Francisco, CA 94102 and should not be directed to the Interstate Commerce Commission.

By the Commission.

[SEAL] ROBERT L. OSWALD,
Secretary.

[FR Doc.72-12462 Filed 8-8-72;8:49 am]

SMALL BUSINESS ADMINISTRATION

CAPITAL MARKETING CORP.

Notice of Filing of Application for Approval of Conflict of Interest Transaction Between Associates

Notice is hereby given that Capital Marketing Corp. (Capital), 9001 Ambassador Row, Dallas, TX 75247, a Federal Licensee under the Small Business Investment Act of 1958, as amended (Act), License No. 06/10-0150, has filed an application, pursuant to § 107.1004 of the

regulations governing small business investment companies (13 CFR 107.1004 (1972)), for approval of a conflict of interest transaction.

Capital has agreed to provide financing of $137,500 for a grocery concern to be known as Bi-Rite Inc. (Bi-Rite). Part of these proceeds will be used to acquire assets and properties of Bargain Barn Food Center, 504 North O'Connor Road, Irving, TX 75061, from Affiliated Food Stores, Inc. (Affiliated), 9001 Ambassador Row, Dallas, TX. Affiliated is an associate of the Licensee in that it has common officers and directors. Mr. Carlo Angelo, secretary, director and 0.5 percent shareholder in Capital is also president, director, and 5 percent shareholder in Bi-Rite.

The application represents the following:

1. The Licensee's financing of $137,500 will be in the form of acquisition of 5,000 shares of Bi-Rite capital stock. Affiliated will acquire 4,000 shares representing an investment of $110,000. Messrs. Angelo and Vernon K. Evans will each acquire 500 shares for $13,750. Of the total amount received ($275,000) by Bi-Rite, $128,777.68 plus an amount equal to the appraised value of all goods held for resale will be paid to Affiliated.

2. New management has been provided that will assure the continued operations of the grocery concern and the employment of its 40 employees.

3. The terms of the proposed investment are fair and reasonable to all parties concerned.

Notice is hereby given that any interested person may, no later than 15 days from the publication of this notice, submit to the Small Business Administration (SBA), in writing, relevant comments on this transaction. Any such communication should be addressed to the Associate Administrator for Operations and Investment, 1441 L Street NW., Washington, D.C.

A copy of this notice shall be published in a newspaper of general circulation in Dallas, Tex.

Dated: July 28, 1972.

JAMES THOMAS PHELAN,
Acting Associate Administrator for Operations and Investment.

[FR Doc.72-12423 Filed 8-8-72;8:46 am]

[Declaration of Disaster Loan Area 925; Class B]

IOWA

Declaration of Disaster Loan Area

Whereas, it has been reported that during the month of July 1972, because of the effects of certain disasters damage resulted to residences and business property located in the State of Iowa;

Whereas, the Small Business Administration has investigated and has received other reports of investigations of conditions in the areas affected;

Whereas, after reading and evaluating reports of such conditions, I find that the conditions in such areas constitute a catastrophe within the purview of the Small Business Act, as amended.

Now, therefore, as Associate Administrator for Operations and Investment of the Small Business Administration, I hereby determine that:

1. Applications for disaster loans under the provisions of section 7(b)(1) of the Small Business Act, as amended, may be received and considered by the office below indicated from persons or firms whose property situated in Iowa City and Johnson County, Iowa, suffered damage or destruction resulting from extensive flooding, beginning on July 17, 1972.

OFFICE

Small Business Administration District Office, 210 Walnut Street, Des Moines, IA 50309.

2. Temporary offices will be established at such areas as are necessary, addresses to be announced locally.

3. Applications for disaster loans under the authority of this Declaration will not be accepted subsequent to October 31, 1972.

Dated: July 21, 1972.

CLAUDE ALEXANDER,
Associate Administrator for Operations and Investment.

[FR Doc.72-12424 Filed 8-8-72;8:46 am]

[Declaration of Disaster Loan Area 924; Class B]

NEW MEXICO

Declaration of Disaster Loan Area

Whereas, it has been reported that during the month of July 1972, because of the effects of certain disasters damage resulted to business property located in the State of New Mexico;

Whereas, the Small Business Administration has investigated and has received other reports of investigations of conditions in the areas affected;

Whereas, after reading and evaluating reports of such conditions, I find that the conditions in such areas constitute a catastrophe within the purview of the Small Business Act, as amended:

Now, therefore, as Associate Administrator for Operations and Investment of the Small Business Administration, I hereby determine that:

1. Applications for disaster loans under the provisions of section 7(b)(1) of the Small Business Act, as amended, may be received and considered by the office below indicated from persons or firms whose property situated in the town of Gallup, county of McKinley, N. Mex., suffered damage or destruction resulting from flash floods occurring on July 17, 1972.

OFFICE

Small Business Administration District Office, 500 Gold Avenue SW., Albuquerque, NM 87101.

2. Temporary offices will be established at such areas as are necessary, addresses to be announced locally.

3. Applications for disaster loans under the authority of this Declaration will not be accepted subsequent to October 31, 1972.

Dated: July 21, 1972.

CLAUDE ALEXANDER,
Associate Administrator for Operations and Investment.

[FR Doc.72-12425 Filed 8-8-72;8:46 am]

[Declaration of Disaster Loan Area 926; Class B]

OHIO

Declaration of Disaster Loan Area

Whereas, it has been reported that during the month of June 1972, because of the effects of certain disasters damage resulted to homes and business property located in the State of Ohio;

Whereas, the Small Business Administration has investigated and has received other reports of investigations of conditions in the areas affected;

Whereas, after reading and evaluating reports of such conditions, I find that the conditions in such areas constitute a catastrophe within the purview of the Small Business Act, as amended.

Now, therefore, as Associate Administrator for Operations and Investment of the Small Business Administration, I hereby determine that:

1. Applications for disaster loans under the provisions of section 7(b)(1) of the Small Business Act, as amended, may be received and considered by the offices below indicated from persons or firms whose property situated in the counties of Belmont, Cuyahoga, Jefferson, Lake, Lorain, and Monroe, Ohio, suffered damage or destruction resulting from extensive flooding as a result of Hurricane Agnes, beginning about June 23, 1972.

OFFICES

Small Business Administration District Office, 50 West Gay Street, Columbus, OH 43215.

Small Business Administration District Office, 1240 East Ninth Street, Cleveland, OH 44199.

2. Temporary offices will be established at such areas as are necessary, addresses to be announced locally.

3. Applications for disaster loans under the authority of this Declaration will not be accepted subsequent to October 31, 1972.

Dated: July 21, 1972.

CLAUDE ALEXANDER,
Associate Administrator for Operations and Investment.

[FR Doc.72-12426 Filed 8-8-72;8:46 am]

CUMULATIVE LIST OF PARTS AFFECTED—AUGUST

The following numerical guide is a list of parts of each title of the Code of Federal Regulations affected by documents published to date during August.

LIST OF FEDERAL REGISTER PAGES AND DATES—AUGUST

Pages	*Date*
15361–15412	Aug. 1
15413–15475	2
15477–15689	3
15691–15846	4
15847–15904	5
15905–15971	8
15973–16066	9

federal register

WEDNESDAY, AUGUST 9, 1972
WASHINGTON, D.C.
Volume 37 ■ Number 154
PART II

DEPARTMENT OF THE TREASURY

Fiscal Service, Bureau of the Public Debt

■

U.S. SAVINGS BONDS, SERIES E

Dept. Circular No. 653, 8th Rev., 3d Supp.

Title 31—MONEY AND FINANCE: TREASURY

Chapter II—Fiscal Service, Department of the Treasury

SUBCHAPTER B—BUREAU OF THE PUBLIC DEBT

PART 316—OFFERING OF UNITED STATES SAVINGS BONDS, SERIES E

The tables to Department Circular No. 653, Eighth Revision, dated December 12, 1969, as amended (31 CFR Part 316), are hereby supplemented by the addition of Tables 7–A, 30–A, 31–A, 75–A and 77–A, as set forth below.

Dated: July 19, 1972.

[SEAL]

JOHN K. CARLOCK,
Fiscal Assistant Secretary.

TABLE 7—A

BONDS BEARING ISSUE DATES FROM DECEMBER 1, 1942, THROUGH MAY 1, 1943 [1]

Issue price	$18.75	$37.50	$75.00	$375.00	$750.00	Approximate investment yield (annual percentage rate)		
Denomination	25.00	50.00	100.00	500.00	1,000.00			
Period after second extended maturity (beginning 30 years after issue date)	(1) Redemption values during each half-year period (values increase on first day of period shown) — THIRD EXTENDED MATURITY PERIOD					(2) From beginning of third extended maturity period to beginning of each half-year period	(3) From beginning of each half-year period to beginning of next half-year period	(4) From beginning of each half-year period to third extended maturity
						Percent	*Percent*	*Percent*
First ½ year [2]	(12/1/72)	$52.86	$105.72	$211.44	$1,057.20	$2,114.40	0.00	5.49	5.50
½ to 1 year	(6/1/73)	54.31	108.62	217.24	1,086.20	2,172.40	5.49	5.52	5.50
1 to 1½ years	(12/1/73)	55.81	111.62	223.24	1,116.20	2,232.40	5.51	5.48	5.50
1½ to 2 years	(6/1/74)	57.34	114.68	229.36	1,146.80	2,293.60	5.50	5.51	5.50
2 to 2½ years	(12/1/74)	58.92	117.84	235.68	1,178.40	2,356.80	5.50	5.50	5.50
2½ to 3 years	(6/1/75)	60.54	121.08	242.16	1,210.80	2,421.60	5.50	5.48	5.50
3 to 3½ years	(12/1/75)	62.20	124.40	248.80	1,244.00	2,488.00	5.50	5.50	5.50
3½ to 4 years	(6/1/76)	63.91	127.82	255.64	1,278.20	2,556.40	5.50	5.51	5.50
4 to 4½ years	(12/1/76)	65.67	131.34	262.68	1,313.40	2,626.80	5.50	5.51	5.50
4½ to 5 years	(6/1/77)	67.48	134.96	269.92	1,349.60	2,699.20	5.50	5.48	5.50
5 to 5½ years	(12/1/77)	69.33	138.66	277.32	1,386.60	2,773.20	5.50	5.51	5.50
5½ to 6 years	(6/1/78)	71.24	142.48	284.96	1,424.80	2,849.60	5.50	5.50	5.50
6 to 6½ years	(12/1/78)	73.20	146.40	292.80	1,464.00	2,928.00	5.50	5.49	5.50
6½ to 7 years	(6/1/79)	75.21	150.42	300.84	1,504.20	3,008.40	5.50	5.50	5.50
7 to 7½ years	(12/1/79)	77.28	154.56	309.12	1,545.60	3,091.20	5.50	5.51	5.50
7½ to 8 years	(6/1/80)	79.41	158.82	317.64	1,588.20	3,176.40	5.50	5.49	5.50
8 to 8½ years	(12/1/80)	81.59	163.18	326.36	1,631.80	3,263.60	5.50	5.49	5.50
8½ to 9 years	(6/1/81)	83.83	167.66	335.32	1,676.60	3,353.20	5.50	5.51	5.50
9 to 9½ years	(12/1/81)	86.14	172.28	344.56	1,722.80	3,445.60	5.50	5.50	5.50
9½ to 10 years	(6/1/82)	88.51	177.02	354.04	1,770.20	3,540.40	5.50	5.49	5.49
THIRD EXTENDED MATURITY VALUE (40 years from issue date)	(12/1/82)	90.94	181.88	363.76	1,818.80	3,637.60	[3] 5.50		

[1] This table does not apply if the prevailing rate for Series E bonds being issued at the time the third extension begins is different from 5.50 percent.

[2] Month, day, and year on which issues of Dec. 1, 1942, enter each period. For subsequent issue months add the appropriate number of months.

[3] Yield on purchase price from issue date to third extended maturity date is 5.00 percent.

TABLE 30—A

BONDS BEARING ISSUE DATES FROM DECEMBER 1, 1952, THROUGH MARCH 1, 1953 [1]

Issue price	$18.75	$37.50	$75.00	$150.00	$375.00	$750.00	$7,500	Approximate investment yield (annual percentage rate)		
Denomination	25.00	50.00	100.00	200.00	500.00	1,000.00	10,000			
Period after first extended maturity (beginning 19 years 8 months after issue date)	(1) Redemption values during each half-year period (values increase on first day of period shown) — SECOND EXTENDED MATURITY PERIOD							(2) From beginning of second extended maturity period to beginning of each half-year period	(3) From beginning of each half-year period to beginning of next half-year period	(4) From beginning of each half-year period to second extended maturity
								Percent	*Percent*	*Percent*
First ½ year [2]	(8/1/72)	$38.67	$77.34	$154.68	$309.36	$773.40	$1,546.80	$15,468	0.00	5.49	5.50
½ to 1 year	(2/1/73)	39.73	79.46	158.92	317.84	794.60	1,589.20	15,892	5.48	5.54	5.50
1 to 1½ years	(8/1/73)	40.83	81.66	163.32	326.64	816.60	1,633.20	16,332	5.51	5.49	5.50
1½ to 2 years	(2/1/74)	41.95	83.90	167.80	335.60	839.00	1,678.00	16,780	5.50	5.48	5.50
2 to 2½ years	(8/1/74)	43.10	86.20	172.40	344.80	862.00	1,724.00	17,240	5.50	5.52	5.50
2½ to 3 years	(2/1/75)	44.29	88.58	177.16	354.32	885.80	1,771.60	17,716	5.50	5.51	5.50
3 to 3½ years	(8/1/75)	45.51	91.02	182.04	364.08	910.20	1,820.40	18,204	5.50	5.49	5.50
3½ to 4 years	(2/1/76)	46.76	93.52	187.04	374.08	935.20	1,870.40	18,704	5.50	5.47	5.50
4 to 4½ years	(8/1/76)	48.04	96.08	192.16	384.32	960.80	1,921.60	19,216	5.50	5.50	5.50
4½ to 5 years	(2/1/77)	49.36	98.72	197.44	394.88	987.20	1,974.40	19,744	5.50	5.51	5.50
5 to 5½ years	(8/1/77)	50.72	101.44	202.88	405.76	1,014.40	2,028.80	20,288	5.50	5.52	5.50
5½ to 6 years	(2/1/78)	52.12	104.24	208.48	416.96	1,042.40	2,084.80	20,848	5.50	5.49	5.50
6 to 6½ years	(8/1/78)	53.55	107.10	214.20	428.40	1,071.00	2,142.00	21,420	5.50	5.49	5.50
6½ to 7 years	(2/1/79)	55.02	110.04	220.08	440.16	1,100.40	2,200.80	22,008	5.50	5.53	5.50
7 to 7½ years	(8/1/79)	56.54	113.08	226.16	452.32	1,130.80	2,261.60	22,616	5.50	5.48	5.50
7½ to 8 years	(2/1/80)	58.09	116.18	232.36	464.72	1,161.80	2,323.60	23,236	5.50	5.51	5.50
8 to 8½ years	(8/1/80)	59.69	119.38	238.76	477.52	1,193.80	2,387.60	23,876	5.50	5.50	5.50
8½ to 9 years	(2/1/81)	61.33	122.66	245.32	490.64	1,226.60	2,453.20	24,532	5.50	5.51	5.50
9 to 9½ years	(8/1/81)	63.02	126.04	252.08	504.16	1,260.40	2,520.80	25,208	5.50	5.49	5.49
9½ to 10 years	(2/1/82)	64.75	129.50	259.00	518.00	1,295.00	2,590.00	25,900	5.50	5.50	5.50
SECOND EXTENDED MATURITY VALUE (29 years and 8 months from issue date)	(8/1/82)	66.53	133.06	266.12	532.24	1,330.60	2,661.20	26,612	[3] 5.50		

[1] This table does not apply if the prevailing rate for Series E bonds being issued at the time the second extension begins is different from 5.50 percent.

[2] Month, day, and year on which issues of Dec. 1, 1952, enter each period. For subsequent issue months add the appropriate number of months.

[3] Yield on purchase price from issue date to second extended maturity date is 4.31 percent.

TABLE 31—A

BONDS BEARING ISSUE DATES FROM APRIL 1, THROUGH MAY 1, 1953 [1]

Issue price / Denomination	(1) Redemption values during each half-year period (values increase on first day of period shown)							Approximate investment yield (annual percentage rate)		
	$18.75 / 25.00	$37.50 / 50.00	$75.00 / 100.00	$150.00 / 200.00	$375.00 / 500.00	$750.00 / 1,000.00	$7,500 / 10,000	(2) From beginning of second extended maturity period to beginning of each half-year period	(3) From beginning of each half-year period to beginning of next half-year period	(4) From beginning of each half-year period to second extended maturity
Period after first extended maturity (beginning 19 years 8 months after issue date)	SECOND EXTENDED MATURITY PERIOD									
								Percent	*Percent*	*Percent*
First ½ year [2] (12/1/72)	$38.96	$77.92	$155.84	$311.68	$779.20	$1,558.40	$15,584	0.00	5.43	5.50
½ to 1 year (6/1/73)	40.03	80.06	160.12	320.24	800.60	1,601.20	16,012	5.43	5.50	5.50
1 to 1½ years (12/1/73)	41.13	82.26	164.52	329.04	822.60	1,645.20	16,452	5.43	5.43	5.50
1½ to 2 years (6/1/74)	42.26	84.52	169.04	338.08	845.20	1,690.40	16,904	5.43	5.54	5.50
2 to 2½ years (12/1/74)	43.43	86.86	173.72	347.44	868.60	1,737.20	17,372	5.51	5.48	5.50
2½ to 3 years (6/1/75)	44.62	89.24	178.48	356.96	892.40	1,784.80	17,848	5.50	5.51	5.50
3 to 3½ years (12/1/75)	45.85	91.70	183.40	366.80	917.00	1,834.00	18,340	5.50	5.50	5.50
3½ to 4 years (6/1/76)	47.11	94.22	188.44	376.88	942.20	1,884.40	18,844	5.50	5.48	5.50
4 to 4½ years (12/1/76)	48.40	96.80	193.60	387.20	968.00	1,936.00	19,360	5.50	5.50	5.50
4½ to 5 years (6/1/77)	49.73	99.46	198.92	397.84	994.60	1,989.20	19,892	5.50	5.51	5.50
5 to 5½ years (12/1/77)	51.10	102.20	204.40	408.80	1,022.00	2,044.00	20,440	5.50	5.52	5.50
5½ to 6 years (6/1/78)	52.51	105.02	210.04	420.08	1,050.20	2,100.40	21,004	5.50	5.48	5.50
6 to 6½ years (12/1/78)	53.95	107.90	215.80	431.60	1,079.00	2,158.00	21,580	5.50	5.49	5.50
6½ to 7 years (6/1/79)	55.43	110.86	221.72	443.44	1,108.60	2,217.20	22,172	5.50	5.52	5.50
7 to 7½ years (12/1/79)	56.96	113.92	227.84	455.68	1,139.20	2,278.40	22,784	5.50	5.51	5.50
7½ to 8 years (6/1/80)	58.53	117.06	234.12	468.24	1,170.60	2,341.20	23,412	5.50	5.50	5.50
8 to 8½ years (12/1/80)	60.14	120.28	240.56	481.12	1,202.80	2,405.60	24,056	5.50	5.49	5.50
8½ to 9 years (6/1/81)	61.79	123.58	247.16	494.32	1,235.80	2,471.60	24,716	5.50	5.50	5.50
9 to 9½ years (12/1/81)	63.49	126.98	253.96	507.92	1,269.80	2,539.60	25,396	5.50	5.48	5.50
9½ to 10 years (6/1/82)	65.23	130.46	260.92	521.84	1,304.60	2,609.20	26,092	5.50	5.52	5.52
SECOND EXTENDED MATURITY VALUE (29 years and 8 months from issue date) (12/1/82)	67.03	134.06	268.12	536.24	1,340.60	2,681.20	26,812	[3] 5.50		

[1] This table does not apply if the prevailing rate for Series E bonds being issued at the time the second extension begins is different from 5.50 percent.

[2] Month, day, and year on which issues of Apr. 1, 1953, enter each period. For subsequent issue months add the appropriate number of months.

[3] Yield on purchase price from issue date to second extended maturity date is 4.34 percent.

TABLE 75—A

BONDS BEARING ISSUE DATES FROM DECEMBER 1, 1964, THROUGH MAY 1, 1965 [1]

Issue price / Denomination	(1) Redemption values during each half-year period (values increase on first day of period shown)							Approximate investment yield (annual percentage rate)		
	$18.75 / 25.50	$37.50 / 50.00	$56.25 / 75.00	$75.00 / 100.00	$150.00 / 200.00	$375.00 / 500.00	$750.00 / 1,000.00	$7,500 / 10,000	(2) From beginning of extended maturity period to beginning of each half-year period	(3) From beginning of each half-year period to beginning of next half-year period	(4) From beginning of each half-year period to extended maturity
Period after original maturity (beginning 7 years 9 months after issue date)	EXTENDED MATURITY PERIOD										
									Percent	*Percent*	*Percent*
First ½ year [2] (9/1/72)	$26.25	$52.50	$78.75	$105.00	$210.00	$525.00	$1,050.00	$10,500	0.00	5.49	5.50
½ to 1 year (3/1/73)	26.97	53.94	80.91	107.88	215.76	539.40	1,078.80	10,788	5.49	5.49	5.50
1 to 1½ years (9/1/73)	27.71	55.42	83.13	110.84	221.68	554.20	1,108.40	11,084	5.49	5.50	5.50
1½ to 2 years (3/1/74)	28.48	56.96	85.44	113.92	227.84	569.60	1,139.20	11,392	5.51	5.48	5.50
2 to 2½ years (9/1/74)	29.26	58.52	87.78	117.04	234.08	585.20	1,170.40	11,704	5.50	5.47	5.50
2½ to 3 years (3/1/75)	30.06	60.12	90.18	120.24	240.48	601.20	1,202.40	12,024	5.50	5.52	5.50
3 to 3½ years (9/1/75)	30.89	61.78	92.67	123.56	247.12	617.80	1,235.60	12,356	5.50	5.50	5.50
3½ to 4 years (3/1/76)	31.74	63.48	95.22	126.96	253.92	634.80	1,269.60	12,696	5.50	5.48	5.50
4 to 4½ years (9/1/76)	32.61	65.22	97.83	130.44	260.88	652.20	1,304.40	13,044	5.50	5.52	5.50
4½ to 5 years (3/1/77)	33.51	67.02	100.53	134.04	268.08	670.20	1,340.40	13,404	5.50	5.49	5.50
5 to 5½ years (9/1/77)	34.43	68.86	103.29	137.72	275.44	688.60	1,377.20	13,772	5.50	5.52	5.50
5½ to 6 years (3/1/78)	35.38	70.76	106.14	141.52	283.04	707.60	1,415.20	14,152	5.50	5.48	5.50
6 to 6½ years (9/1/78)	36.35	72.70	109.05	145.40	290.80	727.00	1,454.00	14,540	5.50	5.50	5.50
6½ to 7 years (3/1/79)	37.35	74.70	112.05	149.40	298.80	747.00	1,494.00	14,940	5.50	5.52	5.50
7 to 7½ years (9/1/79)	38.38	76.76	115.14	153.52	307.04	767.60	1,535.20	15,352	5.50	5.47	5.50
7½ to 8 years (3/1/80)	39.43	78.86	118.29	157.72	315.44	788.60	1,577.20	15,772	5.50	5.53	5.50
8 to 8½ years (9/1/80)	40.52	81.04	121.56	162.08	324.16	810.40	1,620.80	16,208	5.50	5.48	5.49
8½ to 9 years (3/1/81)	41.63	83.26	124.89	166.52	333.04	832.60	1,665.20	16,652	5.50	5.52	5.50
9 to 9½ years (9/1/81)	42.78	85.56	128.34	171.12	342.24	855.60	1,711.20	17,112	5.50	5.47	5.49
9½ to 10 years (3/1/82)	43.95	87.90	131.85	175.80	351.60	879.00	1,758.00	17,580	5.50	5.51	5.51
EXTENDED MATURITY VALUE (17 years and 9 months from issue date) (9/1/82)	45.16	90.32	135.48	180.64	361.28	903.20	1,806.40	18,064	[3] 5.50		

[1] This table does not apply if the prevailing rate for Series E bonds being issued at the time the extension begins is different from 5.50 percent.

[2] Month, day and year on which issues of Dec. 1, 1964, enter each period. For subsequent issue months add the appropriate number of months.

[3] Yield on purchase price from issue date to extended maturity date is 5.01 percent.

TABLE 77—A

BONDS BEARING ISSUE DATES FROM DECEMBER 1, 1965 THROUGH MAY 1, 1966 [1]

Issue price	$18.75	$37.50	$56.25	$75.00	$150.00	$375.00	$750.00	$7,500	Approximate investment yield (annual percentage rate)
Denomination	25.00	50.00	75.00	100.00	200.00	500.00	1,000.00	10,000	

Period after original maturity (beginning 7 years after issue date)	(1) Redemption values during each half-year period (values increase on first day of period shown) — EXTENDED MATURITY PERIOD								(2) From beginning of extended maturity period to beginning of each half-year period	(3) From beginning of each half-year period to beginning of next half-year period	(4) From beginning of each half-year period to extended maturity
									Percent	*Percent*	*Percent*
First ½ year [2]	(12/1/72)	$25.78	$51.56	$77.34	$103.12	$206.24	$515.60	$1,031.20	$10,312	0.00	5.51	5.50
½ to 1 year	(6/1/73)	26.49	52.98	79.47	105.96	211.92	529.80	1,059.60	10,596	5.51	5.51	5.50
1 to 1½ years	(12/1/73)	27.22	54.44	81.66	108.88	217.76	544.40	1,088.80	10,888	5.51	5.51	5.50
1½ to 2 years	(6/1/74)	27.97	55.94	83.91	111.88	223.76	559.40	1,118.80	11,188	5.51	5.13	5.50
2 to 2½ years	(12/1/74)	28.73	57.46	86.19	114.92	229.84	574.60	1,149.20	11,492	5.49	5.67	5.50
2½ to 3 years	(6/1/75)	29.53	59.06	88.59	118.12	236.24	593.60	1,181.20	11,812	5.51	5.49	5.50
3 to 3½ years	(12/1/75)	30.34	60.68	91.02	121.36	242.72	606.80	1,213.60	12,136	5.50	5.47	5.50
3½ to 4 years	(6/1/76)	31.17	62.34	93.51	124.68	249.36	623.40	1,246.80	12,468	5.50	5.52	5.50
4 to 4½ years	(12/1/76)	32.03	64.06	96.09	128.12	256.24	640.60	1,281.20	12,812	5.50	5.49	5.50
4½ to 5 years	(6/1/77)	32.91	65.82	98.73	131.64	263.28	658.20	1,316.40	13,164	5.50	5.47	5.50
5 to 5½ years	(12/1/77)	33.81	67.62	101.43	135.24	270.48	676.20	1,352.40	13,524	5.50	5.51	5.50
5½ to 6 years	(6/1/78)	34.74	69.48	104.22	138.96	277.92	694.80	1,389.60	13,896	5.50	5.53	5.50
6 to 6½ years	(12/1/78)	35.70	71.40	107.10	142.80	285.60	714.00	1,428.00	14,280	5.50	5.49	5.50
6½ to 7 years	(6/1/79)	36.68	73.36	110.04	146.72	293.44	733.60	1,467.20	14,672	5.50	5.51	5.50
7 to 7½ years	(12/1/79)	37.69	75.38	113.07	150.76	301.52	753.80	1,507.60	15,076	5.50	5.52	5.50
7½ to 8 years	(6/1/80)	38.73	77.46	116.19	154.92	309.84	774.60	1,549.20	15,492	5.50	5.47	5.49
8 to 8½ years	(12/1/80)	39.79	79.58	119.37	159.16	318.32	795.80	1,591.60	15,916	5.50	5.53	5.50
8½ to 9 years	(6/1/81)	40.89	81.78	122.67	163.56	327.12	817.80	1,635.60	16,356	5.50	5.48	5.49
9 to 9½ years	(12/1/81)	42.01	84.02	126.03	168.04	336.08	840.20	1,680.40	16,804	5.50	5.52	5.49
9½ to 10 years	(6/1/82)	43.17	86.34	129.51	172.68	345.36	863.40	1,726.80	17,268	5.50	5.47	5.47
EXTENDED MATURITY VALUE (17 years from Issue date)	(12/1/82)	44.35	88.70	133.05	177.40	354.80	887.00	1,774.00	17,740	[3] 5.50		

[1] This table does not apply if the prevailing rate for Series E bonds being issued at the time the extension begins is different from 5.50 percent.

[2] Month, day, and year on which issues of Dec. 1, 1965, enter each period. For subsequent issue months add the appropriate number of months.

[3] Yield on purchase price from issue date to extended maturity date is 5.13 percent.

[FR Doc.72-11541 Filed 8-8-72;8:45 am]